

BYLAWS
of
Jemez Mountains Electric Cooperative, Inc.

ARTICLE I
MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of **Jemez Mountains Electric Cooperative, Inc.** (hereinafter called the "Cooperative") by:

- (a) Making a written application for membership therein;
- (b) Agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board of trustees; and
- (d) Paying the membership fee hereinafter specified; provided, however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he or it has been accepted for membership by the board of trustees or the members. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

At each meeting of the members held subsequent to the expiration of a period of six months from the date of incorporation of the Cooperative, all applications received more than ninety days prior to such meeting which have not been accepted or which have been rejected by the board of trustees shall be submitted by the Secretary to such meeting and, subject to compliance by the applicant with the requirements hereinabove set forth, any such application may be accepted by vote of the members. The Secretary shall give each such applicant at least ten days' written notice of the date of the members' meeting to which his application will be submitted and such applicant shall be entitled to be present and heard at the meeting.

SECTION 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the board of trustees. Such certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed in these bylaws, nor until such

membership fee has been fully paid for. In case a certificate is lost, destroyed or mutilated a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the board of trustees may prescribe.

SECTION 3. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall have the effect of constituting a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or trustee.

SECTION 4. Conversion of Membership. (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement of such holder and his or her spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the board of trustees. The outstanding membership certificate shall be surrendered and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.

(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 5. Membership.

The membership fee shall be five dollars (\$5.00).

SECTION 6. **Purchase of Electric Energy.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative electric energy used on the premises specified in his application for membership, and shall pay therefor at rates which shall from time to time be fixed by the board of trustees as specified in the rules and regulations. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws.

Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the board of trustees or regulatory bodies from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

SECTION 7. **Termination of Membership.** (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board of trustees may prescribe. The board of trustees of the Cooperative may, by the affirmative vote of not less than two thirds of all the trustees, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the board of trustees, but only if such member shall have been given written notice by the Secretary of the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the board of trustees or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, maybe cancelled by resolution of the board of trustees.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to the Cooperative.

ARTICLE II **RIGHTS AND LIABILITIES OF MEMBERS**

SECTION I. **Property Interest of Members.** Upon dissolution, after

- (a) all debts and liabilities of the Cooperative shall have been paid, and

(b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the active members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the preceding year.

SECTION 2. Non-liability for Debts of the Cooperative.

The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III
MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held on a Sunday, any date between July 15 and September 1 inclusive of each year, within the Cooperative area, as prescribed by the board of trustees.

SECTION 2. Special Meetings. Special meetings of the members may be called by resolution of the board of trustees, or upon a written request signed by any three trustees, by the President, or by ten per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the Cooperative area in the State of New Mexico, specified in the notice of the special meeting.

SECTION 3. District Meetings.

(a) Commencing in 1985, quadrennial district meetings of the members shall be held in districts 1,2 and 3 not more than thirty days nor less than fifteen days prior to the date of the annual meeting, with the exception that district meetings of the members will be held on September 14, 15 and 16, 1982 in Districts 1,2 and 3, respectively, for the purpose of vacating the positions of the incumbent trustees and of electing one trustee from each of said districts to hold office until the 1985 annual meeting.

(b) For districts 4 and 6, district meetings of the members shall be held not more than thirty days nor less than fifteen days prior to the date of the annual meeting in each odd numbered year, with no exceptions.

(c) For district 5, a district meeting of the members shall be held not more than thirty days nor less than fifteen days prior to the date of the annual meeting in each odd numbered year, with the

exception that a district meeting shall be held on September 22, 1982 for the purpose of electing a new trustee to serve until the 1985 annual meeting of the members.

(d) The regular district meetings shall be held at such time and place within the district as shall be specified by the Board of Trustees, for the purpose of electing a trustee or trustees and a voting delegate or voting delegates, passing on reports, and transacting such other business as may come before the meeting. It shall be the responsibility of the board of trustees to make adequate plans and preparations for such meetings in time to enable the required notice to be given. Failure to hold a district meeting in any district or districts shall not work a forfeiture or dissolution of the Cooperative nor adversely affect the rights and privileges of the members of such districts.

(e) An up to date and accurate certificate of registration shall be maintained for each member in each district of the Cooperative.

(f) The registration staff at each district meeting shall consist of employees of the Cooperative in sufficient numbers to perform registration duties, plus at least one trustee from another district to serve as a registration judge or judges.

(g) Each member desiring to register as a voting member of the district shall be registered provided he qualifies under the provisions of these bylaws, and a certificate of registration showing he is a member of the district is in the records of the Cooperative. Applicants who have not been accepted by the board of trustees shall not be considered members for the purpose of voting at district meetings.

SECTION 4. **Special District Meetings.**

Special meetings of the members in any district may be called by resolution of the board of trustees, or upon written request signed by any three trustees, by the President, or by ten per centum or more of all the members in such district, and it shall thereupon be the duty of the Secretary to cause notice of any such meeting to be given as hereinafter provided. Special district meetings may be held at any place within the district specified in the notice of the special district meeting.

SECTION 5. **Notice of Members' Meetings.**

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or, upon a default in duty by the Secretary, by the persons calling the meeting, to each member, or in the case of district meetings, to each member in the district. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereupon prepaid. The failure of any member to receive notice of an

annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 6. Quorum at All Meetings.

Two and one-half percent of the membership of a district shall constitute a quorum at district meetings and two and one-half percent of the total membership of the Cooperative shall constitute a quorum at annual or special meetings of the membership. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting for one meeting without further notice. The minutes of each meeting shall contain a list of the members present in person. These provisions shall apply equally to district meetings as well as to general meetings of the members.

SECTION 7. Voting at All Meetings.

Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person, a quorum being then and there actually present in person, except as otherwise provided by law, the articles of incorporation, or these bylaws.

(a) Firms, associations and corporations shall be entitled to one (1) vote provided they are legally incorporated entities and upon presentation from their board of directors or governing body of a resolution appointing a voting delegate with authority to vote for the firm, association or corporation.

(b) Political subdivisions which are members of the cooperative and are entitled to vote shall include the State of New Mexico, the respective counties, if the county seat is within the cooperative area and municipal governments and school districts, provided that a resolution is submitted appointing a voting delegate with authority to vote for the political subdivision.

(c) Unincorporated firms, subdivisions of the state, subdivisions of counties, subdivisions of municipalities, school districts or other subdivisions shall be considered an integral part of the parent entity and shall not be entitled to a separate vote. Individual members shall be entitled to one vote regardless of number of meters or connections.

SECTION 8. Proxies.

There shall be no voting by proxies at any time.

SECTION 9. Order of Business at Annual Meetings.

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

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. 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.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, trustees and committees.
5. Reports of district meetings.
6. Unfinished business.
7. New business.
8. Adjournment.

SECTION 10. Order of Business at Biennial District Meetings.

The order of business at each biennial district meeting of the members, and, so far as possible, at all other district meetings of the members, shall be essentially as follows:

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of meeting, as the case may be.
3. Reading of unapproved minutes of previous district meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, trustees and committees.
5. Report of trustees of the district.
6. Election of a trustee, who shall also be a voting delegate.
7. Unfinished business.
8. New business.
9. Adjournment.

SECTION 11. Initiative by Members at District Meetings.

Any proposition submitted at a district meeting and adopted by resolution of a majority of the members voting, a quorum being present, together with any document submitted with the resolution, must be reported to and submitted for consideration to the next succeeding annual meeting of members if the resolution so provides. In the event that one or more such resolutions are adopted, one or more delegates may be elected to represent and speak for the district in behalf of such resolution or resolutions at the annual meeting at which such resolution or resolutions are to be reported and considered.

ARTICLE IV
TRUSTEES

SECTION 1. General Powers.

The business and affairs of the Cooperative shall be managed by a board of eleven trustees which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

SECTION 2. Election and Tenure of Office of Trustees and Voting Delegates.

- (a) Where there is only one qualified candidate for an office of trustee, so as to save money an election is not required.
- (b) At every quadrennial district meeting, commencing in 1993, Districts 1, 2 and 3 shall each elect one trustee for a four year term, such trustee to enter his or her term of office immediately after the annual meeting of members in such year.
- (c) At every district meeting in odd numbered years, Districts 4, 5 and 6 shall each elect one trustee for four year terms, such trustees to enter his or her term of office immediately after the annual meeting of members in such year; except that at every quadrennial district meeting, commencing in 1993, District 5 shall elect two trustees for four year terms, such trustees to enter their terms of office immediately after the annual meeting of members in such year.
- (d) All trustees except the Trustee at Large shall be elected by and from the members of the district which they represent, by secret ballot, to serve until the expiration of their term of office or until their successors shall have been elected and shall have qualified.
- (e) The candidate receiving the most votes shall be the elected trustee; and, if there is a tie vote, the candidates who tied shall draw lots for the office.

SECTION 3. Qualifications.

Any person shall be eligible to become and remain a trustee and/or voting delegate of the Cooperative, who:

- (a) Is 21 years of age or over and a citizen of the United States of America.
- (b) Is a member of the Cooperative and is and remain a bona fide resident of the district he would represent.
- (c) Is not in any way financially interested in a competing enterprise or a business selling electric energy or major supplies to the Cooperative.
- (d) Has been legally elected at a district meeting called for the purpose or at a meeting of the voting delegates.
- (e) Has been a member of the Cooperative for one year or longer.

Upon establishment of the fact that a trustee is holding office in violation of any of the foregoing provisions, the board of trustees shall remove such trustee from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board of trustees.

SECTION 4. Nomination and Election of Trustees.

- (a) Between 45 and 60 days prior to the date of a district election of a trustee or trustees, the Board of Trustees shall give notice of the pending election by the mailing of a notice to each member of that district. The notice will state the date when the election will be held; the offices to be filled; the deadline for the filing of a Declaration of Candidacy; and, the place where a Declaration of Candidacy must be filed.
- (b) A candidate for the office of trustee shall file a Declaration of Candidacy at the main office of the Cooperative, or at any district office of the Cooperative, during regular business hours, not more than 40 days and not less than 30 days before the date when the election of the trustee or trustees will be conducted. The Declaration of Candidacy shall be in the form of an affidavit and will state the name and principal place of residence of the candidate; that he or she meets the requirements of subparagraphs (a), (b), (c) and (e) of Section 3 of Article IV of these Bylaws; and, if more than one trustee is to be elected, an identification of the trusteeship sought. In order to be accepted for filing, a Declaration of Candidacy must be accompanied by a Nominating Petition signed by at least 75 members of the district of election if said district consists of 2,000 or more members; or, in districts consisting of fewer than 2,000 members, a Nominating Petition signed by at least 30 members of the district of election must accompany the Declaration of Candidacy. Only the persons who filed a Declaration of Candidacy, as provided in this subparagraph, shall be eligible for election by the members to the office of trustee.
- (c) Ballots shall be furnished by the Cooperative and shall contain the name of each candidate for each position. Voting machines may be used in lieu of ballots for the recording of votes cast.
- (d) The Chairman of the Board of Trustees shall appoint 3 or more members as election officials prior to the day of the election and shall designate one of the said appointees to serve as chairman of the election officials. Said election officials need not be members of the district where the election is being conducted and they shall supervise the election. The chairman of the election officials shall certify the registration, tally the votes cast, and specify the name and number of votes received by each candidate.
- (e) Each member may cast one vote for one candidate for each trustee office to be filled. The polls shall be open from 7:00 a.m. to 7:00 p.m. on election day.
- (f) The foregoing provisions of this section apply to the nomination and election of voting delegates, because the person elected trustee by the members shall automatically be a voting delegate.

SECTION 5. Removal of Trustees by Members.

Any member may bring charges against a trustee of his district and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum of the members of the trustee's district, may request the removal of such trustee by reason thereof. Such trustee shall be informed in writing of the charges at least ten days prior to the district meeting of the members at which the charges against him are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. If a majority vote for removal, a quorum being present, the term of the trustee and voting delegate shall thereupon expire, and the vacancy in the office of trustee thereby created shall be filled by the remaining voting delegates for the unexpired term. Any such charges duly filed shall be submitted to the vote of the members of the district within 45 days from the date of filing, unless the next district meeting falls within 90 days from the date of filing in which case the charges shall be considered at the next district meeting.

SECTION 6. Vacancies.

A vacancy occurring on the board of trustees shall be filled by either of the following methods, when applicable:

(a) For the unexpired portion of the term, by election by a majority of the voting delegates at a duly called meeting, a quorum being present.

(b) Upon written petition of not less than 5% of the members of the district, but in no case less than 50 members, an election by the members at the next district meeting shall be held to fill the office of trustee for the remainder of the term, regardless of whether voting delegates have or have not purported to fill such office, which petition must be filed with the Secretary of the Cooperative not less than 90 days before the date of the annual meeting of members. The election to fill the office of trustee and voting delegate for the unexpired term shall be conducted in the manner prescribed in these Bylaws. In any case, a vacancy in the office of trustee and voting delegate must be filled by election of an eligible member from the same district and community or geographical areas the trustee and voting delegate who held the vacated position. If the vacancy in the office of trustee and voting delegate occurs at a time when it is too late to petition for an election to fill the vacancy at an intervening district meeting prior to the district meeting at which the term would expire, the office of trustee for such district so made vacant shall be filled by the voting delegates as in these Bylaws provided, and the office of voting delegate shall remain vacant to be filled at the next district meeting of the members.

When a vacancy occurs on the board of trustees because of death, resignation, unwillingness or refusal to serve, or for any other reason it shall be the duty of the President, or in his absence, the Vice President, or in the absence of both of them the Secretary or Treasurer, to call a meeting of the voting delegates within 30 days of the time such vacancy occurs and it shall be the duty of the voting delegates to vote on the election of an eligible member from the same district and geographical area or community as the trustee who had held the vacated position.

(c) In the event of a catastrophe in which a majority of the Board of Trustees should be incapacitated for any reason, the quorum provisions of these Bylaws shall be suspended, and the remaining active trustees shall assume all general powers until such time as the vacancies can be filled as provided above, without the quorum requirements.

SECTION 7. Compensation.

The trustees shall receive compensation for their services to the Cooperative in such reasonable amounts as the board of trustees prescribes; provided, however, that no trustee shall receive compensation for any services or expenses not authorized by the board of trustees.

SECTION 8. Division into Districts.

For the purpose of assuring equitable geographical and numerical representation on the board of trustees, as well as for other purposes of convenience to the Cooperative, the area served or to be served by the Cooperative is hereby divided into districts as hereinafter described in the Schedules of Districts hereto attached as a part hereof.

SECTION 9. Representation by Districts.

Districts 1, 2 and 3 within the Cooperative shall each elect one trustee to serve on the board; districts 4 and 6 shall each elect two trustees to serve on the board; district 5 shall elect three trustees to serve on the board. The eleventh trustee shall be elected at large as hereinafter provided. The words "geographical area, "different sections", "geographical representation", and the like, wherever used in these bylaws shall be construed to refer to the geographical districts herein created when referring to the entire area served by the Cooperative, provided, however, that the principle of geographical representation shall be observed insofar as possible within the individual districts and not more than one trustee representing any district on the board of trustees shall be from the same community or settlement, and in case two or more districts have been consolidated, not more than one trustee shall come from anyone of the former districts.

SECTION 10. Nomination, Election and Meeting of Voting Delegates.

Districts 1, 2 and 3 shall each elect one voting delegate; districts 4 and 6, two voting delegates; district 5 three voting delegates with its third trustee elected at-large from within the two wards. At the district meetings, each district shall elect voting delegates from that district who shall be the same, identical persons who are elected as trustees, and who shall serve for the same term of years. The election of a person as trustee shall also constitute the election of that person as a voting delegate, whether it is so specified in the nomination or not. The election, tenure of office, qualifications, and geographical requirements, as to voting delegates, shall be the same as prescribed for trustees, except that the Trustee at Large who is elected by the voting delegates only shall not have a vote in meetings of voting delegates. A regular meeting of the voting delegates shall be held without the requirement of notice, at the same place and date as the annual meeting of members in each odd numbered year; special meetings

of the voting delegates may be held at any place within the area served by the Cooperative, upon waiver of notice signed by all of the voting delegates, or upon a written call of such meeting signed by not less than six voting delegates and delivered to the last known residence of each of the other voting delegates at least ten days before the date for the meeting, specifying the date, place, hour and particular building or address at which such meeting is proposed to be held. The voting delegates shall have no other duties except as in these bylaws specified.

SECTION II. Election of Trustee at Large.

The Trustee at Large shall be elected at the regular meeting of the voting delegates immediately following the annual meeting of the members in each odd numbered year, by majority vote, to serve until the annual meeting of the members in the next odd numbered year, and until his successor has been duly elected and qualified. The Trustee at Large shall be elected for a term of two years from nominations made by any voting delegate at the regular meeting of the voting delegates in odd numbered years. The nominee who receives the most votes shall be the Trustee at Large. In the event of a tie vote, the Trustee at Large shall be selected by lot from the nominees who tied. After such election has been completed, the organizational meeting of the Board of Trustees in odd numbered years shall be held; nothing herein contained shall affect the right of the Board of Trustees to hold organizational meetings after the annual meeting in even numbered years.

SECTION 12. Enlargement of Districts.

Districts may be enlarged by action of the board of trustees in the following manner and subject to the following limitation: Districts may be enlarged by adding territory not heretofore included within any other district, by action of a majority of all the membership of the board of trustees.

ARTICLE V
MEETINGS OF TRUSTEES

SECTION I. Regular Meetings.

A regular meeting of the board of trustees shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of trustees shall also be held monthly at such time and place in any county in which the Cooperative has members or bona fide applications for membership, as the board of trustees may provide

by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. Special Meetings.

Special meetings of the board of trustees may be called by the President or by any three trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the trustees calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. Notice of Trustees' Meeting.

Written notice of the time, place and purpose of any special meeting of the board of trustees shall be delivered to each trustee not less than five days previous thereto either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the trustees calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the trustee at his address as it appears on the records of the Cooperative with postage thereon prepaid.

SECTION 4. Quorum.

A majority of the board of trustees shall constitute a quorum, provided, that if less than such majority of the trustees is present at said meeting, a majority of the trustees present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent trustee of the time and place of such adjourned meeting. The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the board of trustees, except as otherwise provided in these bylaws.

ARTICLE VI
OFFICERS

SECTION I. Number.

The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the board of trustees from time to time. The offices of Secretary and Treasurer may be held by the same person. The President and Vice President shall not be from the same district.

SECTION 2. Election and Term of Office.

The officers shall be elected by ballot, annually by and from the board of trustees at the meeting of the board of trustees held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board of trustees following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board of trustees for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by Trustees.

Any officer or agent elected or appointed by the board of trustees may be removed by the board of trustees whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten per centum of the members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. President.

The President shall:

- (a) be the principal executive officer of the Cooperative and unless otherwise determined by the members or the board of trustees, shall preside at all meetings of the members and the board of trustees;
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the board of trustees or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board of trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board of trustees or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the board of trustees from time to time.

SECTION 5. Vice President.

In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the board of trustees.

SECTION 6. Secretary.

The Secretary shall:

- (a) keep the minutes of the meetings of the members and of the board of trustees in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of Cooperative and affix the seal of the Cooperative to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keep a register of the names and post office addresses of all members;
- (e) sign, with the President, certificates of membership, the issuance of which shall have been authorized by the board of trustees or the members;
- (f) have general charge of the books of the Cooperative;
- (g) keep on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative forward a copy of the bylaws and of all amendments thereto to each member; and
- (h) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the board of trustees.

SECTION 7. Treasurer.

The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;

(b) be responsible for the receipt of and the issuance of receipts for all moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative in such bank or banks or other financial institutions as shall be selected in accordance with the provisions of these bylaws;

(c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the board of trustees; and

(d) have authority to invest the funds of the Cooperative in securities approved by the board of trustees.

SECTION 8. **Manager.**

The board of trustees may appoint a manager who may be, but who shall not be required to be, a member or trustee of the Cooperative. The manager shall perform such duties and shall exercise such authority as the board of trustees may from time to time vest in him.

SECTION 8.1 **Controller of Funds.**

The board of trustees may, at its discretion, appoint a controller of funds responsible to the Treasurer and to the board of trustees. The duties of the controller shall be the complete supervision of Cooperative funds in accordance with board policies and he shall countersign any and all checks not countersigned by the Treasurer on any and all funds of the Cooperative.

SECTION 9. **Bonds of Officers.**

The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the board of trustees shall determine. The board of trustees in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

SECTION 10. **Compensation.**

The powers, duties and compensation of officers, agents and employees shall be fixed by the board of trustees, subject to the provisions of these bylaws with respect to compensation for trustees.

ARTICLE VII
PATRONAGE CAPITAL

SECTION 1. Interest or Dividends on Capital Prohibited.

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any patronage capital furnished by its patrons.

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy.

In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses, less any delinquent amounts owed the Cooperative. The books and records of the Cooperative shall be set up and kept in such a manner that within a reasonable time after the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital. All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby, and the mortgage contract will not be violated, the capital credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative. Pursuant to written instructions from the assignor such capital credits may be assigned to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

SECTION 3. **Limited Right to Assign.**

Any member or patron may assign all or any portion of his patronage capital earned or credited, or expected to be earned or credited in the future, to Jemez Mountains Electric Foundation, a charitable tax exempt trust, effective as of the date of assignment, subject in all cases to the Cooperative's prior lien for unpaid charges.

SECTION 4. **Assignment by Failure to Provide Address.**

Notwithstanding any other bylaw provisions, capital credits and capital credit payments, notice or delivery of which cannot be made for failure of a patron or former patron to claim the same in person, or to furnish an effective mailing address, for a period of two years after the Cooperative has mailed the same with sufficient postage to the last known address and to the last address provided to the Cooperative, or after the Cooperative has in good faith attempted to deliver such notice or payment, shall be and constitute an irrevocable gift by the patron to Jemez Mountains Electric Foundation, a charitable tax exempt trust, of such credit or payment remaining after the Cooperative's prior claim for charges due has been satisfied.

SECTION 5. **Charitable Trust.**

It shall be the duty of the Cooperative to take necessary steps to establish said tax exempt charitable trust and to obtain approval of the Internal Revenue Service of the U.S. and the Bureau of Revenue of New Mexico and to cause to be named as trustees the officers from time to time of the Cooperative, being the President, Vice President, the Secretary and Treasurer, who are to serve as trustees without compensation.

SECTION 6. Priority of Cooperative's Claim for Amounts Due from Patron.

Nothing contained in this Article shall be construed to deprive the Cooperative of its first lien against any capital credits to satisfy any unpaid electric bills of the patron; only that portion of a capital credit or payment which is not needed to satisfy an unpaid balance for electric service may be transferred to the Jemez Mountains Electric Foundation under the provisions hereof.

SECTION 7. Savings Clause.

If any portion of this Article shall be held invalid or not effective to accomplish its purposes, the remaining portions of the Article shall not be affected thereby, and in no event shall this Article be construed to adversely affect the exemption of the Cooperative from liability for payment of income taxes on its revenues from the distribution of electricity to its patrons.

ARTICLE VIII
DISPOSITION OF PROPERTY

The Cooperative may not sell, convey, lease, exchange, transfer or otherwise dispose of all or any substantial portion of its property unless such sale, conveyance, lease, exchange, transfer or other disposition is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds of all the members of the Cooperative, and unless the notice of such proposed sale, lease, exchange, transfer or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, or any other provisions of law, the board of trustees of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging, assignment for security purposes, or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board of trustees shall determine, to secure any indebtedness of the Cooperative.

ARTICLE IX
SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, New Mexico (or State of New Mexico)."

ARTICLE X
FINANCIAL TRANSACTIONS

SECTION 1. **Contracts.**

Except as otherwise provided in these bylaws, the board of trustees 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 Cooperative, and such authority may be general or confined to specific instances.

SECTION 2. **Checks. Drafts. etc.**

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

SECTION 3. **Deposits.**

All funds, except petty cash, of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the board of trustees may select.

SECTION 4. **Change in Rates.**

Written notice shall be given to the Administrator of the Rural Electrification Administration of the United States of America not less than ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective, and to the New Mexico Public Service Commission as required by law.

SECTION 5. **Fiscal Year.**

The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI
MISCELLANEOUS

SECTION I. Membership in Other Organizations.

The Cooperative may upon the authorization of the board of trustees, purchase stock in or become a member of any corporation or organization for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the Administrator of R.E.A., of any corporation for the purpose of acquiring electric facilities.

SECTION 2. Waiver of Notice.

Any member or trustee may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or trustee at any meeting shall constitute a waiver of notice of such meeting by such member or trustee, except in case a member or trustee shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 3. Policies, Rules and Regulations.

The board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation, the lawful regulations of the New Mexico Public Service Commission, or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. Accounting System and Reports.

The board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Electrification Administration of the United States of America. The board shall also, after the close of each fiscal year, cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

SECTION 5. Area Coverage.

The board shall make diligent efforts to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

ARTICLE XII
AMENDMENTS

These bylaws may be altered, amended or repealed by a majority vote of the members in a majority of the districts, voting by districts, a quorum being present, at any annual or special district meeting or annual or special meeting, provided the notice of such meeting or meetings shall have contained a copy of the proposed alteration, amendment or repeal.

SCHEDULES

SCHEDULE I

District No.1 - Boundaries

Beginning at a point in the county line between Sandoval and Santa Fe Counties where the Fourth Standard of Parallel North intersects same; thence, West along said Fourth Standard of Parallel North to the range line between Ranges 4 and 5 East; thence, North along said range line to the South line of Baca Location No.1; thence, East along said South line to the Southeast corner of Baca Location No.1; thence, North along the East line of Baca Location No.1 to the Northeast corner of Baca Location No.1; thence, West along the North line of Baca Location No.1 to the Northwest corner of Baca Location No.1; thence, South along the West line of Baca Location No. 1 to the Rio Arriba-Sandoval county line; thence, West along said county line to the range line between Ranges 1 East and 2 East; thence, South along said range line to the North line of the Canon de San Diego Grant; thence, Northwesterly along the said line to the Northwest corner of the San Diego Grant; thence, South along the West line of said grant to the township line dividing Townships 18 and 19 North; thence, West along said township line to the Northwest corner of Section 4, Township 18 North, Range 8 West; thence, South along said section line to the Southwest corner of Section 28, Township 18 North, Range 8 West; thence, East along said section line to the Southwest corner of Section 29, Township 18 North, Range 6 West; thence, South along said section line to the Southwest corner of Section 8, Township 16 North, Range 6 West; thence, East along said section line to McKinley-Sandoval county line; thence, South and East to the service area of the Public Service Company of New Mexico and to the Sandoval-Santa Fe county line; thence, North along said county line to the point of beginning.

SCHEDULE II

District No.2 - Boundaries

Beginning at a point in the Rio Arriba-Sandoval County line where the range line between Ranges 1 East and 2 East intersect; thence, West and North along said county line to the San Juan County line; thence, North along the San Juan-RioArriba County line to the township line dividing Townships 27 North and 28 North; thence, West along said township line to range line dividing Ranges 9 West and 10 West; thence, South along said range line to the township line dividing Township 26 North and 27 North; thence, West along said township line to the range line between Range 10 West and 11 West; thence, South along said range line to the Southeast corner of Section 13, Township 26 North, Range 11 West; thence, West along said section line to the Southeast corner of Section 18, Township 26 North, Range 11 West; thence, South along said section line to the Southeast corner of Section 6, Township 25 North, Range 11 West; thence, West along said section line to the Southwest corner of Section 2, Township 25 North, Range 12 West; thence, North along said section line to the Southwest corner of Section 14, Township 26 North, Range 12 West; thence, West along said section line to the East Navajo Reservation Boundary; thence, South along the Navajo Boundary to the township line between Townships 18 North and 19 North; thence, East along said township line to the West line of the Canon de San Diego Grant; thence, North along said West line to the Northwest corner of the San Diego Grant; thence, Southeasterly along the North line of the San Diego Grant to range line between Ranges 1 East and 2 East; thence, North along said range line to the point of beginning.

SCHEDULE III

District No.3 - Boundaries

Beginning at the Northeast corner of Baca Location No.1; thence, West along the North line of Baca Location No. 1 to the Northwest corner of Baca Location No.1; thence, South along the West line of Baca Location No.1 to the Rio Arriba-Sandoval County line; thence, West and North along said county line to the San Juan County line; thence, North along the San Juan-Rio Arriba County line to the Seventh Standard of Parallel North; thence, East along the Seventh Standard of Parallel North to the range line between Ranges 6 West and 7 West; thence, North along said range line to the San Juan River; thence, East and Southeasterly along the service areas of Northern Rio Arriba Electric and Kit Carson Electric to the East line of the Juan Jose Lobato Grant; thence, South along the Lobato Grant to the Rio Chama; thence, Northwesterly along the meanders of the Rio Chama a distance of approximately 1.4 miles to the Medanales Road; thence, Southwesterly along the Medanales Road a distance of approximately 0.5 mile to U.S. Highway 84; thence, Southeasterly along the center line of U.S. 84 a distance of approximately 2.8 miles to the East line of the Lobato Grant; thence, South along the East line

of the Lobato Grant to the Southeast corner of said Grant; thence, Southwest along the South boundary of the Lobato Grant, the Southwest corner of the Grant being Santa Clara Peak; thence, Westerly approximately one mile to the Northeast corner of Baca Location No.1 and the point of beginning.

SCHEDULE IV

District No. 4 - Boundaries and Wards

Beginning at a point where the Fourth Standard of Parallel North intersects the Rio Grande; thence, West along said Fourth Standard of Parallel to the range line between Ranges 4 East and 5 East, thence, North along said range line to the South line of Baca Location No.1; thence, East along said South line of Baca Location No.1 to the Southeast corner of Baca Location No.1; thence, North along the East line of Baca Location No. I to the Northeast corner of the Baca Location No. 1; thence, Easterly approximately one mile to Santa Clara Peak and being the Southwest corner of the Juan Jose Lobato Grant; thence, Northeast along the South boundary of the Lobato Grant to Southeast corner of said grant; thence, North along the East line of the Lobato Grant to the intersection of U.S. highway 84; thence, along the center line of U.S. 84 a distance of approximately 2.8 miles to the Medanales Road; thence, Northeasterly along the Medanales Road to the meanders of the Chama River; thence, Southeasterly along the meanders of the Chama River to the East line of the Lobato Grant; thence, in an Easterly direction along the service area of Kit Carson Electric to the Rio Grande; thence, Southwesterly along the meanders of the Rio Grande to the point of beginning.

District 4 - Ward A

Ward A shall be that portion of the district which is north of the following described line: Beginning at a point where the Alcalde-Hernandez distribution line crosses the Rio Grande (north of the intersection of Highway 74 and the Rio Grande); thence, southwest along the distribution line to the Chimayo Transmission Line; thence, west along the transmission line and its projection to the west boundary of the district.

District 4 - Ward B

Ward B shall be that portion of the district which is south of the line described in Ward A.

SCHEDULE V

District No.5 Boundaries

Beginning at the intersection of the Rio Arriba-Santa Fe County line and U.S. Highway 64; thence, East along the Rio Arriba - Santa Fe County line to Arroyo de la Morada; thence, South along main channel of said arroyo to the center line of Highway 76; thence, East along the center line of Highway 76 to the intersection of Highway 520; thence, South along the center line of Highway 520 to the Rio Arriba-Santa Fe County line; thence, East along the Rio Arriba-Santa Fe County line to the Southeast corner of Section 36, T21N, R11E; thence, due North to the Rio Arriba-Taos County line; thence, Northwest along said County line to the main channel of the Rio Grande; thence, Southwest along the main channel of the Rio Grande to the Rio Arriba-Santa Fe County line; thence, East and North along said County line to the center line of U.S. Highway 64; thence, along the center line of U.S. Highway 64 to the intersection of the Rio Arriba-Santa Fe County line and the point of beginning.

Ward A shall be that portion of the district which is north of Arroyo de Chinguaya and Truchas.

Ward B shall be the remainder of said district.

SCHEDULE VI

District No.6 - Boundaries and Wards

Beginning at the intersection of the Rio Arriba-Santa Fe County line and U.S. Highway 64; thence, East along the Rio Arriba-Santa Fe County line to Arroyo de la Morada; thence, South along main channel of said arroyo to the center line of Highway 76 to the intersection of Highway 520; thence, South along the center line of Highway 520 to the Rio Arriba-Santa Fe County line; thence, East along the Rio Arriba-Santa Fe County line to the Northeast corner of Santa Fe County; thence, South along the East line of Santa Fe County to the Northeast corner of Section I, T17N, R11E; thence, Northwest to the Southeast corner of Section 30, T19N, R10E; thence, West to the Southwest corner of Section 28, T19N, R9E; thence, South to the Southwest corner of Section 33, T19N, R9E; thence, West along the section line to the Rio Grande; thence, along the main channel of the Rio Grande to the Rio Arriba-Santa Fe County line; thence, East and North along said County line to the center line of U.S. Highway 64; thence, along the center line of U.S. Highway 64 to the intersection of the Rio Arriba Santa Fe County line and the point of beginning.

District No. 6 - Ward A

Ward A shall be that portion of the district within the Santa Cruz Watershed excluding Cundiyo.

District No.6 - Ward B

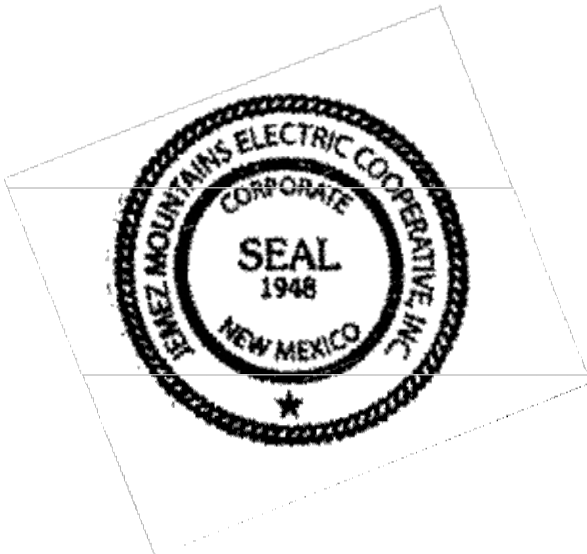
Ward B shall be that portion of the district which includes the Pojoaque Valley School District, not included in Ward A.

All By-Law changes will take effect upon adjournment of annual meeting following approval by members.

CERTIFICATE OF SECRETARY

I, Manuel F. Martinez, do hereby certify that I am the duly elected qualified and acting Secretary of Jemez Mountains Electric Cooperative, Inc., and that the foregoing is a full, true and correct copy of the Bylaws of said Cooperative, including all amendments, as of July 18,1993.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name as Secretary and affixed the Corporate Seal of the Cooperative this 18th day of July 1993.



MANUEL F. MARTINEZ
Secretary