

Our Mission Statement

Our mission is to provide our Members with universal access to high quality, reasonably priced, progressive telecommunications services that enhance the quality of life and economic development of our service areas.

We will work for attainment of this mission through investment in, and efficient management of, diverse telecommunications related ventures, which will provide financial and other value.

We will strive to achieve this mission by deployment of appropriate technologies, and empowering and equipping our employees to deliver customer satisfaction.

Our Vision

We will be the premier full-service telecommunications provider in our region.

Our Values

WE VALUE
RELATIONSHIPS

We Build Relationships Through:

Integrity

Teamwork

Innovation

Communication

Customer Service

Commitment to Excellence

Service to our Communities

FOREWORD

The Bylaws of the Cooperative contained in this publication were originally adopted on October 21, 1950 under the corporate name of Eastern New Mexico Rural Telephone Cooperative. A common reference to the corporate name (ENMR) has also been the abbreviated identity.

Amendments to the original Bylaws are referenced by the date when each amendment occurred. Following are specific dates including the most recently adopted amendments to the Bylaws:

As Adopted	10/21/50
As Amended	03/17/53
As Amended	05/16/60
As Amended	05/17/76
As Amended	04/19/80
As Amended	04/23/88
As Amended	03/28/92
As Amended	04/02/94
As Amended	04/13/96
As Amended	04/18/98
As Amended	04/17/99
As Amended	04/15/00
As Amended	04/20/02
As Amended	04/21/07
As Amended	04/17/10
As Amended	04/23/16

**BYLAWS
OF
E.N.M.R. TELEPHONE COOPERATIVE**

Table of Contents

Revised Bylaws:	Page
ARTICLE 1 MEMBERSHIP	1
SECTION 1. Requirements for Membership.....	1
SECTION 2. Membership Certificates.....	1
SECTION 3. Joint Membership.....	1
SECTION 4. Conversion of Membership.....	2
SECTION 5. Purchase of Retail Communication Services.....	2
SECTION 6. Termination of Membership.....	2
ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS	3
SECTION 1. Property Interest of Members	3
SECTION 2. Non-Liability for Debts of the Cooperative.....	3
ARTICLE III MEETINGS OF MEMBERS	3
SECTION 1. Annual Meeting.....	3
SECTION 2. Special Meeting.....	3
SECTION 3. Notice of Members' Meeting.....	3
SECTION 4. Quorum.....	4
SECTION 5. Voting.....	4
SECTION 6. Order of Business.....	4
ARTICLE IV DIRECTORS	5
SECTION 1. General Powers.....	5
SECTION 2. Election and Tenure of Office.....	5
SECTION 3. District Representation.....	5
SECTION 4. Nominations.....	5
SECTION 5. Qualifications.....	5
SECTION 6. Removal of Directors by Members.....	6
SECTION 7. Vacancies.....	6
SECTION 8. Compensation.....	6
ARTICLE V MEETINGS OF DIRECTORS	7
SECTION 1. Regular Meetings.....	7
SECTION 2. Special Meetings.....	7
SECTION 3. Notice of Directors' Meeting.....	7
SECTION 4. Quorum.....	7
ARTICLE VI OFFICERS	7
SECTION 1. Number.....	7
SECTION 2. Election and Term of Office.....	7
SECTION 3. Removal of Officers and Agents by Directors.....	7
SECTION 4. President.....	8
SECTION 5. Vice President.....	8

SECTION	6.	Secretary.....	8
SECTION	7.	Treasurer.....	9
SECTION	8.	Chief Executive Officer.....	9
SECTION	9.	Bonds of Directors.....	9
SECTION	10.	Compensation.....	9
SECTION	11.	Reports.....	9
SECTION	12.	Facsimile Signatures.....	9
ARTICLE VII NON-PROFIT OPERATION			9
SECTION	1.	Interest or Dividends on Capital Prohibited.....	9
SECTION	2.	Capital in Connection with Furnishing Communication Services..	9
ARTICLE VIII DISPOSITION OF PROPERTY			11
ARTICLE IX MEMBER PROTECTION			11
ARTICLE X EVALUATION OF NON-MONETARY FACTORS IN ACQUISITION			11
ARTICLE XI VOLUNTARY DISSOLUTION			13
ARTICLE XII SEAL			13
ARTICLE XIII FINANCIAL TRANSACTIONS			14
SECTION	1.	Contracts.....	14
SECTION	2.	Checks, Drafts, etc.....	14
SECTION	3.	Deposits.....	14
SECTION	4.	Change in Rates.....	14
SECTION	5.	Fiscal Year.....	14
ARTICLE XIV MISCELLANEOUS			14
SECTION	1.	Membership in Other Organizations.....	14
SECTION	2.	Waiver of Notice.....	14
SECTION	3.	Rules and Regulations.....	14
SECTION	4.	Accounting Systems and Reports.....	14
SECTION	5.	Area Coverage.....	15
SECTION	6.	Charitable Assignment of Membership Capital.....	15
SECTION	7.	Indemnification of Directors, Officers, Employees and Agents....	15
ARTICLE XV AMENDMENTS			16

BYLAWS
OF
E.N.M.R. TELEPHONE COOPERATIVE
(As amended through the Annual Meeting of April 23, 2016)

ARTICLE I
MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, organization, association, partnership, corporation, joint venture, other business entity, body politic or subdivision thereof will become a member of E.N.M.R. TELEPHONE COOPERATIVE (hereinafter called the “Cooperative”) upon receipt of retail communication services from the Cooperative, provided that it has first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase services from the Cooperative in accordance with established tariffs and as hereinafter specified;
- (c) Agreed 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 Directors (hereinafter called the “Board”).
- (d) Resides within its authorized exchange area boundaries.

Retail communication services as used in this section are defined as the receipt by a member on a retail basis of residential or business communication services. The phrase “retail communication services” does not include purchased services for resale, including the use of inter-exchange access, payment of inter-exchange access fees or settlements, lease of local access facilities, or the purchase of equipment by any other party. This definition may be changed as determined by the Board of Directors.

Purchasers of the Cooperative’s services at wholesale, or otherwise, for resale shall not be eligible for membership or patronage credits with respect to such services.

Subscribers to retail communication services from other telephone companies whose telephone plant and facilities and whose area of service have been acquired by the Cooperative shall be deemed to have become members of the Cooperative at such time as the Cooperative commences retail communication services to the acquired area.

No member may hold more than one voting membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in the Bylaws.

(Amendments Adopted April 19, 1980; April 27, 1991; April 13, 1996; April 18, 1998;
April 17, 1999; April 23, 2016; new Section 1(d) added April 23, 2016)

SECTION 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in the form as required by law and shall contain such other provisions as shall be determined by the Board. Such certificate shall be signed by the President and by the Secretary and the corporate seal shall be affixed thereto.

SECTION 3. Joint Membership. Every application from a spouse shall be considered an application for a joint membership, and, subject to compliance with the requirements of Section 1 of this Article, shall be accepted for membership on that basis. The term “member” as used in these Bylaws shall be deemed to include a spouse holding a joint membership, and any provisions relating to the rights and liabilities of membership shall apply equally without 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:

(Amendments Adopted March 28, 1992 and April 23, 2016)

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting.
- (b) The vote of either separately or both jointly shall constitute a joint waiver.
- (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 director, provided that the party meets the qualifications for such office.

(Amendment Adopted April 15, 2000)

SECTION 4. Conversion of Membership.

- (a) A membership may be converted to a joint membership upon the request of the holder thereof and the agreement by such holder and their spouse to comply with the Articles of Incorporation, Bylaws and any rules and regulations adopted by the Board. 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 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. Purchase of Retail Communication Services. Each member shall, as soon as retail communication services are available, take retail communication services from the Cooperative to be used on the premises specified in that member's application for membership, and shall pay therefor monthly at rates which shall from time to time be fixed by the Board; provided, however, that the Board may limit the amount of retail communication services which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for retail communication services 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 per month for retail communication services as shall be fixed by the Board from time to time. Each member shall also pay all amounts to the Cooperative when and as the same shall become due and payable.

(Amendment Adopted April 23, 2016)

SECTION 6. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. A member may be expelled by the vote of a majority of the members voting at an annual or special meeting, if the member fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or any rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Secretary at least 10 days in advance of the

meeting, that such failure makes him or her liable to expulsion and such failure shall have continued for at least 10 days after such notice was given. Such members shall have an opportunity to be heard in person or by counsel at such meeting. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who has not permitted the installation of service within thirty (30) days after the member has been notified service is available to them, or of a member who has ceased for a period of ninety (90) days to purchase retail communication services from the Cooperative, shall be cancelled by resolution of the Board.

(Amendments Adopted April 15, 2000 and April 23, 2016)

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

(Section 6 (c) Repealed March 28, 1992)

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. 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 members and former members, in the proportion which the aggregate patronage of each member bears to the total patronage of all such members, unless otherwise provided by law.

(Amendment Adopted March 28, 1992)

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 not earlier than the first (1st) day of February nor later than the first (1st) day of August, at such place as shall be designated by the Board, for the purpose of electing directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

(Amendments Adopted April 23, 1988 and April 15, 2000)

SECTION 2. Special Meeting. Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three directors, by the President or by written petition of at least one-tenth (1/10th) of the members, in which case it shall be the duty of the Secretary to cause notice of such meeting to take place within thirty (30) days after demand. Special meetings of the members may be held at any place specified in the notice of the meeting, that the Board may determine to be convenient and as best meets the needs of the membership.

(Amendments Adopted April 5, 1986; April 20, 2002)

SECTION 3. Notice of Members' Meeting. Written 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 (10) days nor more than twenty (20) 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. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon 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.

In the event of inclement weather or the occurrence of a catastrophic event, the meeting of the members may be postponed by the President, Vice President or the Board. Notice of the postponed meeting shall be given by the President, Vice President or the Board, in any medium of general circulation or broadcast serving the area.

(Amendment Adopted April 15, 2000)

SECTION 4. Quorum. At any meeting of the members, a quorum shall consist of fifty (50) members. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The minutes of each meeting shall contain a list of the members present in person.

(Amendments Adopted April 20, 2002 and April 23, 2016)

SECTION 5. Voting. Each member shall be entitled to only one (1) vote upon each matter submitted to a vote at a meeting of the members. Cumulative voting is not permitted. Voting by members other than members who are natural persons shall be allowed upon presentation to the cooperative, prior to each member meeting, of satisfactory evidence entitling the person presenting the same to vote. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the Articles of Incorporation or these Bylaws.

(Amendment Adopted April 20, 2002)

SECTION 6. Order of Business. 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, except as otherwise determined by the members at such meeting:

- (a) Report on the number of members present in person to determine the existence of a quorum.
- (b) Reading of the notice of the meeting and proof of the due publication of mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- (c) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- (d) Presentation and consideration of reports of officer, directors, and committees.
- (e) Election of directors.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

All issues with respect to the annual meeting or a special member meeting shall be governed according to Robert's Rules of Order unless otherwise specified by law or the Articles of Incorporation.

(Amendment Adopted April 15, 2000)

ARTICLE IV DIRECTORS

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of thirteen (13) directors 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. Directors shall be elected by secret ballot at each annual meeting of the members. In the election of directors, a voice vote may be permitted if there is no competition for a position or positions to be filled. Each director shall serve a term of three years, or until a successor shall have been elected and shall have qualified. If an election of directors shall not be held on the day designated for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing directors within a reasonable time thereafter. Directors shall be elected by a plurality vote of the members.

(Amendment April 20, 2002)

SECTION 3. District Representation. The area served by the Cooperative shall from time to time be divided by resolution of the Board into not less than five (5) nor more than thirteen (13) director positions. The Board is charged with dividing the service area of the Cooperative into districts which shall as nearly as practicable afford equal representation of each member of the Cooperative upon the Board. One director shall be elected to each of the designated director positions.

(Amendments Adopted April 27, 1991; April 17, 2010)

SECTION 4. Nominations. It shall be the duty of the Board to appoint, not less than thirty (30) days nor more than seventy (70) days before the date of a meeting of the members at which Board members are to be elected, a committee on nominations from each director district within which a vacancy then exists, consisting of not more than three (3) members, who shall, if feasible, be selected from different exchanges so as to ensure equitable representation. No member of the Board may serve on such a committee. This committee, keeping in mind the principal of equitable representation, shall prepare and post at the principal office of the Cooperative at least twenty (20) days before the meeting a list of nominations which shall include a candidate for each Board position to be filled by the election. The Secretary shall be responsible for mailing, with a notice of the meeting or separately, but at least ten (10) days before the date of the meeting, a statement of the number of Board members to be elected and the names and addresses of the candidates nominated by the committees on nominations and by petition when received twenty (20) days before the meeting, and the Secretary shall post such nominations by petition at the same place where the list of nominations made by the committees is posted. Nominations made by petition, if any, received at least twenty (20) days before the meeting shall be included on the official ballot. No member may nominate more than one (1) candidate per director position. All nominations by petition shall be signed by fifteen (15) or more members all in good standing with the Cooperative.

(Amendments Adopted April 5, 1986; April 23, 1988;
April 27, 1991; April 2, 1994; April 20, 2002)

SECTION 5. Qualifications. No person shall be eligible to become or remain a director of the Cooperative who:

- (a) is not a member and is not presently residing in the area served or to be served by the Cooperative;
- (b) is in any way employed by or financially interested in a competing enterprise or a business engaged in selling telecommunications service or supplies, or constructing or maintaining telecommunications facilities other than a business operating on a cooperative non-profit basis for the purpose of furthering rural telephones;
- (c) in the case of a director to be elected as the representative of a numbered director district, is not a resident of the area for which elected;
- (d) is an employee of the Cooperative; and

- (e) is related to an employee of the Cooperative as a close relative. For the purpose of this section, close relatives include grandparents, parents, husband, wife, children, grandchildren, brothers, sisters, aunts, uncles and spouses of any of the foregoing.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the Board shall remove such director 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.

(Amendments Adopted April 17, 1999; New Section 5 (e) Added by Amendment April 17, 2010)

SECTION 6. Removal of Directors by Members. Any member may bring charges which shall specify malfeasance or nonfeasance in the duties and responsibilities of their director and, by filing with the Secretary such charges in writing, together with a petition signed by at least ten percentum (10%) of all of the members, or two hundred (200) members, whichever is the lesser, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least (10) ten days prior to the meeting of the members at which time 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 shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting of the members, and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations. No director shall be removed from office unless by vote of two-thirds (2/3) of the members present. A director may resign at any time by written notice delivered to the Board, the President or Secretary of the Cooperative. The resignation is effective when the notice is received unless the notice specifies a future date.

(Amendment Adopted April 15, 2000)

SECTION 7. Vacancies. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board shall be filled for the remainder of the unexpired term of such director by the affirmative vote of a majority of the members at the next annual meeting, and after the nomination process has been followed as set forth in Section 4, unless the vacancy shall have occurred such that the provisions of Section 4 cannot be timely complied with prior to the next annual meeting, and in that event the members shall have the right to fill such vacancy at the annual meeting of the members without the compliance of the foregoing provisions with respect to the nominations.

(Amendment Adopted April 15, 2000)

SECTION 8. Compensation. Board members shall not receive any salary for their services as such, except that directors may be paid a fixed sum to be established by resolution of the Board for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs, or performing committee assignments when authorized by the Board. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members, or the service by the Board member or close relative shall have been certified by the Board as an emergency measure. For the purpose of this section, close

relatives include grandparents, parents, husband, wife, children, grandchildren, brothers, sisters, aunts, uncles and spouses of any of the foregoing.

(Amendment Adopted April 17, 2010)

ARTICLE V MEETINGS OF DIRECTORS

SECTION 1. **Regular Meetings.** A regular meeting of the Board shall be held monthly at such time and place as the Board may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

(Amendment Adopted March 28, 1992)

SECTION 2. **Special Meetings.** Special meetings of the Board may be called by the President or by any three (3) directors, 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 directors calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. **Notice of Director's Meeting.** Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each director not less than five (5) days previous thereto, either personally, by mail, or by electronic means by or at the direction of the Secretary, or, upon a default in duty by the Secretary, by the President or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at the director's address as it appears on the records of the Cooperative with postage thereon prepaid.

(Amendment Adopted April 23, 2016)

SECTION 4. **Quorum.** A majority of the Board shall constitute a quorum, provided, that if less than such majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time and provide further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws.

ARTICLE VI OFFICERS

SECTION 1. **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 from time to time. The office of Secretary and of Treasurer may be held by the same person.

SECTION 2. **Election and Term of Office.** The officers shall be elected annually by and from the Board at a regular or special meeting of the Board occurring next 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 following the next succeeding annual meeting of the members, or until a successor shall have been elected and shall have qualified. Except as otherwise provided in these Bylaws, the vacancy in any office shall be filled by the Board for the unexpired portion of the term.

(Amendment Adopted March 28, 1992)

SECTION 3. **Removal of Officers and Agents by Directors.** Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest 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 percentum (10%) of all of the members, or two hundred (200) members, whichever is the lesser, may request the removal of such officer. The officer against whom such charges shall have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting at which 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 shall have the same opportunity. In the event the Board does not remove such officer, the question of removal may be considered and voted upon at the next meeting of the members.

(Amendment Adopted April 15, 2000)

SECTION 4. **President.** The President shall:

- (a) be the principal executive officer of the Cooperative and unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board;
- (b) sign, with the Secretary, certificates of membership the issue of which shall have been authorized by the Board or the members, and may sign any 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 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 shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

SECTION 5. Vice President. In the absence of the President, or in the event of the President's 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 by the Board.

SECTION 6. Secretary. The Secretary shall:

- (a) keep the minutes of the meetings of the members and of the Board 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 the Cooperative and affix the seal of the Cooperative to all certificates of membership prior to the issuance 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 or the members;
- (f) keep on file at all times a complete copy of 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;
- (g) in general perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the Board;
- (h) the Secretary shall have authority, with the approval of the Board, to delegate to the Chief Executive Officer the authority to appoint employees of the Cooperative to actually carry out the responsibilities set forth in this Section.

(Amendments Adopted April 17, 1999; April 17, 2010)

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 money due and payable to the Cooperative, and for the deposit of all such moneys in the name of the Cooperative in such 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 by the Board;
- (d) the Treasurer shall have authority, with the approval of the Board, to delegate to the Chief Executive Officer the authority to appoint employees of the Cooperative to actually carry out the responsibilities set forth in this Section.

(Amendments Adopted April 17, 1999; April 17, 2010)

SECTION 8. Chief Executive Officer. The Board may appoint a Chief Executive Officer (hereinafter called "CEO") who may be, but shall not be required to be, a member of the Cooperative. The CEO shall perform such duties and shall exercise such authority as the Board may from time to time vest in the CEO.

(Amendment Adopted April 17, 2010)

SECTION 9. Bonds of Directors. The Treasurer, and any other director or agent of the Cooperative charged with responsibility for the custody of any of its funds or property, shall give bond in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other director, agent or employee of the Cooperative to give bond in such amounts and with such surety as it shall determine.

(Amendment Adopted April 17, 2010)

SECTION 10. Compensation. The powers, duties and compensation of directors, agents and employees shall be fixed by the Board, subject to the provisions of these Bylaws with respect to compensation for directors and close relatives of directors.

(Amendment Adopted April 17, 2010)

SECTION 11. Reports. The directors of the Cooperative shall submit at each annual meeting of the members, reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

(Amendment Adopted April 17, 2010)

SECTION 12. Facsimile Signatures. Should the Board by either a specific or general resolution so authorize the signature of any officer or the imprint of the corporate seal, it may be affixed to any document in facsimile form.

(New Section 12 Added by Amendment March 28, 1992)

ARTICLE VII NON-PROFIT OPERATION

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 members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

SECTION 2. Capital in Connection with Furnishing Communication Services. In the furnishing of communication services, the Cooperative's operation shall be so conducted that all members will 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 members for all amounts received and receivable operating costs and expenses properly chargeable against the furnishing of communication services. All such amounts in excess of operating costs and expenses, at the moment of receipt by the Cooperative, are capital. The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall, within a reasonable time after the close of the fiscal year, notify each member of the amount of capital so credited to their account. All such amounts credited to the capital account of any member shall have the

same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so, and the member had then furnished the Cooperative with corresponding amounts for capital. However, the Cooperative is not obligated to furnish such credits for services which are not billed and collected by the Cooperative, even when such services are partially rendered over the facilities of the Cooperative. A Cooperative shall be authorized to deduct at the time of its incurrence from the amount of a member's capital credit the amount of any past due debt or other obligation owed by any such member of the Cooperative.

(Amendments Adopted April 15, 2000 and April 23, 2016)

All other amounts received by the Cooperative from its operations, in excess of costs and expenses, may at the discretion of the Board, insofar as permitted by law:

- (a) be used to offset any losses incurred during the current or any prior fiscal year, or
- (b) to the extent not needed for that purpose be retained unallocated to service debts, or
- (c) be used for future capital additions or improvements, or
- (d) be retained as permanent equity in the Cooperative, or
- (e) to the extent not needed for these purposes, be allocated to its members on a patronage basis.

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, the capital credited to members' accounts may be retired in full or in part.

(Amendments Adopted April 15, 2000; April 20, 2002;
New Section (c) added by Amendment April 23, 2016)

Capital credited to the account of each member shall be assignable only on the books of the Cooperative, pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or part of such member's premises served by the Cooperative, unless the Board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these Bylaws, the Board at its discretion shall have the power, at any time upon the death of any natural member, if the legal representatives of the estate shall request in writing that the capital credited to any such natural member be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such natural member immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such natural member's estate, shall agree upon. In those instances in which no probate, whether formal or informal is commenced, or no personal representative appointed, the Cooperative shall have the discretion to retire capital credits upon presentation of a death certificate and after a determination of the heirs is made. A release shall be procured from all of such heirs such that upon distribution the heirs agree to release, indemnify and hold harmless the Cooperative from any and all further claims, demands, actions, causes of action, or rights of others to said capital credits. The Cooperative is further authorized to negotiate capital credit settlement arrangements with bankrupt members. However, the financial condition of the Cooperative in any such capital credit payment set forth herein must not be impaired thereby.

(Amendments Adopted April 15, 2000 and April 23, 2016)

The members of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws, and the terms and provisions of all rules and regulations adopted in writing by the Board pursuant to the powers granted to the Board by the Articles of Incorporation and the Bylaws, shall constitute and be a contract between the Cooperative and each member, and both the Cooperative and the members are bound by such contract, as fully as though each member 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 member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

(Amendments Adopted March 28, 1992; April 18, 1998)

ARTICLE VIII DISPOSITION OF PROPERTY

Except as to subsidiaries or their property, the Cooperative may not sell, convey, mortgage, lease, exchange, transfer or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, conveyance, mortgage, lease, exchange, transfer or other disposition or encumbrance is authorized by a vote of not less than two-thirds (2/3) of all of the members of the Cooperative, and unless the notice of such proposed sale, conveyance, mortgage, lease, exchange, transfer or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board, 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 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 shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to any bank or other financial institution or organization; provided further that the Board may upon the authorization of a majority of those members thereof, sell, convey, mortgage, lease, exchange, transfer or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in that State pursuant to the Act under which this Cooperative is incorporated.

(Amendments Adopted April 27, 1991; April 20, 2002; April 17, 2010)

ARTICLE IX MEMBER PROTECTION

It is the declared intent and policy of this Cooperative and its members, that control of this Cooperative is an asset that belongs to all members of this Cooperative and that all such members are entitled (i) to participate, through an election to sell or otherwise dispose of their interest, in any proposed acquisition of control of this Cooperative by another party or entity, and (ii) to be offered a price for their interest which is fair and equitable under the circumstances.

(New Article IX Added By Amendment April 20, 2002)

ARTICLE X EVALUATION OF NON-MONETARY FACTORS IN ACQUISITION

The Board of the Cooperative, when evaluating any offer of another party or entity to (i) make a tender or exchange offer for the Cooperative, (ii) merge or consolidate the Cooperative with another corporation, or (iii) purchase or acquire all, or substantially all, of the properties and assets of the Cooperative, may, in connection with the exercise of their judgment in determining what is in the best interest of the Cooperative and its members, give due consideration to all relevant factors, including without limitation the following:

- (a) The consideration being offered in the acquisition proposal in relation to the Board estimate of:
 - 1) The current value of the Cooperative in a freely negotiated sale of either the Cooperative by merger, consolidation, or otherwise, or all or substantially all of the Cooperative's assets;
 - 2) The current value of the Cooperative if orderly liquidated;

- 3) The future value of the Cooperative over a period of years as an independent entity discounted to current value;
- (b) The then existing political, economic, and other factors bearing on the current market value of the Cooperative in particular;
- (c) Whether the acquisition proposal might violate federal, state or local laws;
- (d) Social, legal, economic and contractual effects on employees, suppliers, customers, subscribers, lenders and others having similar relationships with the Cooperative, and the communities in which the Cooperative conducts its businesses;
- (e) The financial condition and earning prospects of the party or entity making the acquisition proposal including the party's ability to service its debt and other existing or likely financial obligations;
- (f) The competence, experience, and integrity of the party or entity making the acquisition proposal; and
- (g) The interests of the members of this Cooperative in maintaining the Cooperative as a continuing independent business and cooperative.

In evaluating acquisition proposals, the Board may retain special outside legal counsel, investment banking firms, special accounting firms, and such other experts as it, in its discretion, deems necessary or appropriate to assist in the evaluation of the transaction, all at the expense of the Cooperative.

In addition to the foregoing and any other applicable provisions of law no sale, lease, lease-sale, exchange, transfer, or other disposition within a single calendar year, of physical plant of the Cooperative with net value in excess of ten percentum (10%) of the Cooperative's total assets, based upon the most recent audit of the Cooperative, shall be authorized except in conformity with the following:

- (a) If the Board looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer, or other disposition, it shall first cause three (3) independent nonaffiliated appraisers, experts in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer, or other disposition, and as to any other terms and conditions which should be considered. The three (3) independent appraisers shall be designated by a district court resident judge for the judicial district in which the Cooperative's headquarters are located. If such judge refuses to make such designations, they shall be made by the Board;
- (b) If the Board, after receiving such appraisals (and other terms and conditions which are submitted if any), determines that the proposals should be submitted for consideration by members, it shall first give, by notice in appropriate publications, other cooperatively organized entities an opportunity to submit competing proposals. Any interested cooperatively organized entity shall be sent copies of any proposals which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such other interested cooperatively organized entities shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them;
- (c) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members not less than sixty (60) days before noticing a special meeting of the members thereon or, if such be the case, the next annual member meeting, expressing in detail each of any

such proposals, and shall call a meeting of the members for consideration thereof and action thereon, which meeting shall be held not less than ten (10) nor more than thirty (30) days after giving the Notice thereof to the members; provided that consideration and action by the members may be given at the next annual meeting if the Board so determines and if such annual meeting is held not less than ten (10) nor more than thirty (30) days after the giving of notice of such meeting;

- (d) Any one hundred (100) or more members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The provisions of (a), (b), (c) and (d) above shall not apply to a sale, lease, lease-sale, exchange, transfer, or other disposition to one (1) or more telephone or electric cooperatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one (1) or more telephone or electric cooperatives.

(New Article X Added By Amendment April 20, 2002.)

ARTICLE XI VOLUNTARY DISSOLUTION

The Cooperative may, at any regular or special meeting legally called, be directed to dissolve by a vote of two-thirds (2/3) of the entire membership. By a vote of a majority of the members voting three (3) of their number shall be designated as trustees, who shall, on behalf of the Cooperative and within a time fixed in their designation or within any extension thereof, liquidate its assets, pay its debts and expenses; return to the members their capital credits without priority on a pro rata basis thereafter consistent and in conformity with the property rights of the members and law.

(New Article XI Added By Amendment April 20, 2002.)

ARTICLE XII 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 the words "Corporate Seal - New Mexico".

ARTICLE XIII FINANCIAL TRANSACTIONS

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 Cooperative, and such authority may be general or confined to specific instances.

SECTION 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative, shall be signed 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.

SECTION 3. Deposits. All funds of the Cooperative, except petty cash, shall be deposited from time to time to the credit of the Cooperative in such financial institutions as the Board may select, or shall

be invested in securities issued by, or in securities unconditionally guaranteed by, the United States of America or any state thereof.

(Amendments Adopted April 17, 1990; March 28, 1992)

SECTION 4. Change in Rates. Written notice shall be given to the Administrator of RUS of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the monthly rates charged by the Cooperative for communication services become effective.

(Amendment Adopted April 23, 2016)

SECTION 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first (1st) day of January of each year and shall end on the thirty-first (31st) day of December of the same year.

ARTICLE XIV MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Cooperative may become a member or purchase stock in other profit or nonprofit organizations, associations, partnerships, corporations, joint ventures or other business entities when the Board finds that the general or long-term interests of its membership will be served by such investments or participation.

(Amendment Adopted April 17, 1999)

SECTION 2. Waiver of Notice. Any member or director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director shall attend a meeting for the express purpose of objection to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 3. Rules and Regulations. The Board shall have the power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. Accounting Systems 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 as well as regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of RUS of the United States of America. The Board shall also, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to members at the next following annual meeting.

SECTION 5. Area Coverage. The Board shall make reasonable effort to see that communication services are 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.

(Amendment Adopted April 23, 2016)

SECTION 6. Charitable Assignment of Membership Capital. The Board may cause to be established one (1) or more charitable trusts, foundations, not-for-profit corporations or other such charitable entity (charity) for the purpose of receiving transfers of membership capital in accordance with these Bylaws and as authorized by law and using the same for educational scholarships or other charitable uses. This declaration, charter or other organizational instruments approved by the Board shall set forth specifically the duties and purposes. The Board, officers and employees of the Cooperative who administer such funds shall be entitled to indemnification from the Cooperative to the same extent as if such service were to the Cooperative itself. If the Board so establishes such a charity/or charities:

- (a) Any member may assign in writing in a form acceptable to the Cooperative all or any portion of that member's membership capital vested or expected, to such charity, effective as of the date of assignment; and
- (b) If any member or former member fails to claim any cash retirement of capital credits or other payment from the Cooperative within the timeframe and utilizing the process provided by law, such failure shall be and constitutes an irrevocable assignment by such member of such capital credit or other payment to the Cooperative as donated to such charity.
- (c) Failure to claim any such payment within the meaning of this section shall include the failure of such member or former member to cash any check mailed by the Cooperative to the last address furnished to the Cooperative.

(Amendment Adopted April 21, 2007)

SECTION 7. Indemnification of Directors, Officers, Employees and Agents.

- (a) Every director, officer, employee or agent of the Cooperative shall be indemnified by the Cooperative against all judgment, penalties, fines, liabilities and amounts paid in settlement and reasonable expenses in connection with any proceedings to which he or she was, or may become involved, by reason of being or having been a director, officer, employee or agent of the Cooperative. This indemnification shall be to the maximum extent consistent with the provisions of law to include without limitation Article 2.22 (a) of the Texas Non-Profit Corporation Act, and Sections 53-4-9.1 and 53-4-18.2, New Mexico Statutes Annotated 1978, as amended; provided that in the event of a settlement, that the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interest of the Cooperative. The right of indemnification shall be in addition to and not exclusive of all the rights to which directors, officers, employees or agents may be entitled.
- (b) The Cooperative shall have the power to purchase and maintain indemnity insurance on behalf of any person who is or was a director, officer, employee or agent of the Cooperative. The provisions of the indemnity articles are for the benefit of each and every director, officer, employee and agent of the Cooperative. The Cooperative, by the adoption of this section, agrees that each present and future director, officer, employee or agent of the Cooperative has the right to rely upon and can continue to rely upon the provisions of this section in accepting, serving or continuing as a director, officer, employee or agent.

(Amendment Adopted April 23, 1988)

**ARTICLE XV
AMENDMENTS**

These Bylaws may be altered, amended or repealed by the members at any annual or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

(Amendments Adopted April 15, 2000; April 20, 2002)