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Form **990-PF**

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

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▶ Information about Form 990-PF and its instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For calendar year 2013, or tax year beginning 07-01-2013 , and ending 06-30-2014

Name of foundation BANNER FOUNDATION		A Employer identification number 85-0446587	
Number and street (or P O box number if mail is not delivered to street address) 8220 SAN PEDRO NE ROOM/SUITE 400		B Telephone number (see instructions) (505) 255-1040	
City or town, state or province, country, and ZIP or foreign postal code ALBUQUERQUE, NM 87113		C If exemption application is pending, check here ▶ ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 1. Foreign organizations, check here ▶ ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐	
I Fair market value of all assets at end of year (<i>from Part II, col. (c), line 16</i>)▶ \$ 935,094	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____ (<i>Part I, column (d) must be on cash basis.</i>)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	43	43		
	4 Dividends and interest from securities.	12,898	12,898		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	114,814			
	b Gross sales price for all assets on line 6a 502,959				
	7 Capital gain net income (from Part IV, line 2) . . .		114,814		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
Operating and Administrative Expenses	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	10	10		
	12 Total. Add lines 1 through 11	127,765	127,765		
	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule).				
	b Accounting fees (attach schedule).	3,749			
	c Other professional fees (attach schedule)	9,569	9,569		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	556			
	19 Depreciation (attach schedule) and depletion . . .				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule).	2,419	2,419		
	24 Total operating and administrative expenses. Add lines 13 through 23	16,293	11,988		0
	25 Contributions, gifts, grants paid	48,500			48,500
	26 Total expenses and disbursements. Add lines 24 and 25	64,793	11,988		48,500
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	62,972			
	b Net investment income (if negative, enter -0-)		115,777		
	c Adjusted net income (if negative, enter -0-)				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	9,103	27,557	27,553
	2	Savings and temporary cash investments	16,677	-610	-610
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	562,594	☒ 533,339	623,850
	c	Investments—corporate bonds (attach schedule).	54,913	☒ 43,020	43,106
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	120,525	☒ 223,478	241,195
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
15	Other assets (describe ▶ _____)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	763,812	826,784	935,094	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ _____)			
	23	Total liabilities (add lines 17 through 22)		0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	763,812	826,784	
	30	Total net assets or fund balances (see page 17 of the instructions)	763,812	826,784	
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	763,812	826,784		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year’s return)	1	763,812
2	Enter amount from Part I, line 27a	2	62,972
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	826,784
5	Decreases not included in line 2 (itemize) ▶ _____	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	826,784

Part IV

Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1 a	PUBLICLY TRADED SECURITIES	P	2013-07-01	2014-06-30
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 476,527		388,145	88,382
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			88,382
b			
c			
d			
e			

2	Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	114,814
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

Part V

Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2012	49,965	856,403	0 058343
2011	8,000	784,233	0 010201
2010	18,000	816,291	0 022051
2009	21,800	725,885	0 030032
2008	20,000	676,471	0 029565

2	Total of line 1, column (d).	2	0 150192
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 030038
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5.	4	910,888
5	Multiply line 4 by line 3.	5	27,361
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	1,158
7	Add lines 5 and 6.	7	28,519
8	Enter qualifying distributions from Part XII, line 4.	8	48,500

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)					
1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1		1	1,158		
Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)					
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		2	1,158		
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)					
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)				2	
3 Add lines 1 and 2.				3	1,158
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4			
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	1,158		
6 Credits/Payments		7			
a 2013 estimated tax payments and 2012 overpayment credited to 2013	6a				
b Exempt foreign organizations—tax withheld at source	6b				
c Tax paid with application for extension of time to file (Form 8868)	6c				
d Backup withholding erroneously withheld	6d				
7 Total credits and payments Add lines 6a through 6d.		7			
8 Enter any penalty for underpayment of estimated tax Check here ☒ if Form 2220 is attached		8	13		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	1,171		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10			
11 Enter the amount of line 10 to be Credited to 2014 estimated tax ☒ Refunded ☐		11			

Part VII-A Statements Regarding Activities				
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		Yes	No
		1a		No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>	1b		No
c	Did the foundation file Form 1120-POL for this year?.	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☐ \$ _____ (2) On foundation managers ☐ \$ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3	Yes	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?.	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?.	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ☒ NM _____			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation .</i>	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9		No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>	10		No

Part VII-A

Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address ▶NONE				
14	The books are in care of ▶BRODERICK PHILLIPPI WRIGHT & CARD Telephone no ▶(505) 255-1040 Located at ▶8220 SAN PEDRO NE SUITE 400 ALBUQUERQUE NM ZIP +4 ▶87113			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶	15		
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
See instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country ▶				

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?. ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?. . . Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐	1b		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?.	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013?. ☐ Yes ☒ No If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions).	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?. ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2013 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013.</i>).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?	4b		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions).	☐ Yes ☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?		5b	
	Organizations relying on a current notice regarding disaster assistance check here.	☒		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	No
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		7b	

Part VIII

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).				
(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
CYRENE INMAN 8220 SAN PEDRO NE SUITE 400 ALBUQUERQUE,NM 87113	PRESIDENT 1 00	0	0	0
MARY ZOUHAR 8220 SAN PEDRO NE SUITE 400 ALBUQUERQUE,NM 87113	SECRETARY 4 00	0	0	0
RAYMOND ZOUHAR 8220 SAN PEDRO NE SUITE 400 ALBUQUERQUE,NM 87113	DIRECTOR 1 00	0	0	0
2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
Total number of other employees paid over \$50,000.				

Part VIII

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

NONE

Total number of others receiving over \$50,000 for professional services. 1

Part IX-A

1

2

3

4

Part IX-B

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1 N/A

2

All other program-related investments See page 24 of the instructions

3

Total. Add lines 1 through 3

Part X

Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities.	1a	870,560
b	Average of monthly cash balances.	1b	54,199
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	924,759
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	
3	Subtract line 2 from line 1d.	3	924,759
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	13,871
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	910,888
6	Minimum investment return. Enter 5% of line 5.	6	45,544

Part XI

Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6.	1	45,544
2a	Tax on investment income for 2013 from Part VI, line 5.	2a	1,158
b	Income tax for 2013 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,158
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	44,386
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	44,386
6	Deduction from distributable amount (see instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	44,386

Part XII

Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26.	1a	48,500
b	Program-related investments—total from Part IX-B.	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule).	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	48,500
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions).	5	1,158
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	47,342
Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years			

Part XIII

Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				44,386
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only.			9,452	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2013				
a From 2008.				
b From 2009.				
c From 2010.				
d From 2011.				
e From 2012.				
f Total of lines 3a through e.				
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ 48,500				
a Applied to 2012, but not more than line 2a			9,452	
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).				
d Applied to 2013 distributable amount.				39,048
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b.				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b Taxable amount—see instructions				
e Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				5,338
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions).				
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions). . . .				
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2009. . . .				
b Excess from 2010. . . .				
c Excess from 2011. . . .				
d Excess from 2012. . . .				
e Excess from 2013. . . .				

Part XIVPrivate Operating Foundations (see instructions and Part VII-A, question 9)

1a

If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling.

b

Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.	Tax year	Prior 3 years			(e) Total
		(a) 2013	(b) 2012	(c) 2011	(d) 2010	
b	85% of line 2a					
c	Qualifying distributions from Part XII, line 4 for each year listed.					
d	Amounts included in line 2c not used directly for active conduct of exempt activities.					
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c.					
3	Complete 3a, b, or c for the alternative test relied upon					
a	"Assets" alternative test—enter					
	(1) Value of all assets					
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b	"Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.					
c	"Support" alternative test—enter					
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).					
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
	(3) Largest amount of support from an exempt organization					
	(4) Gross investment income					

Part XVSupplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see instructions.)

1

Information Regarding Foundation Managers:

a

List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

b

List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

2

Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a

The name, address, and telephone number of the person to whom applications should be addressed

b

The form in which applications should be submitted and information and materials they should include

c

Any submission deadlines

d

Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

Part XV

Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			3a	48,500
b Approved for future payment				
Total			3b	

Enter gross amounts unless otherwise indicated

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Form **990-PF** (2013)

Part XVII

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1

Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

Yes

No

a

Transfers from the reporting foundation to a noncharitable exempt organization of

(1)

Cash.

1a(1)

No

(2)

Other assets.

1a(2)

No

b

Other transactions

(1)

Sales of assets to a noncharitable exempt organization.

1b(1)

No

(2)

Purchases of assets from a noncharitable exempt organization.

1b(2)

No

(3)

Rental of facilities, equipment, or other assets.

1b(3)

No

(4)

Reimbursement arrangements.

1b(4)

No

(5)

Loans or loan guarantees.

1b(5)

No

(6)

Performance of services or membership or fundraising solicitations.

1b(6)

No

c

Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

1c

No

d

If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line No	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a

Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes

No

b

If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

2014-11-15

Date

Title

May the IRS discuss this return with the preparer shown below (see instr.)?

Yes

No

Paid Preparer Use Only

Print/Type preparer's name
THOMAS C BRODERICK

Preparer's Signature

Date
2014-11-17

Check if self-employed ☒

PTIN
P00292239

Firm's name

BRODERICK PHILLIPPI WRIGHT & CARD

Firm's EIN

45-2752726

Firm's address

8220 SAN PEDRO NE SUITE 400 ALBUQUERQUE, NM 871132476

Phone no

(505) 255-1040

Form 990-PF (2013)

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
THE GARDEN'S EDGE PO BOX 7758 ALBUQUERQUE,NM 87194			GENERAL PURPOSE	3,000
ACADEMY OF ARTS ON THE RIO GRANDE 2811 MONTE REY SE ALBUQUERQUE,NM 87106			GENERAL PURPOSE	3,000
NDI NEW MEXICO 4800 CENTRAL AVE SE ALBUQUERQUE,NM 87108			GENERAL PURPOSE	3,000
METROPOLITAN HOMELESSNESS PROJECT PO BOX 27636 ALBUQUERQUE,NM 87125			GENERAL PURPOSE	10,000
FRIENDS OF RIO GRANDE NATURE CENTER 2901 CANDELARIA RD NW ALBUQUERQUE,NM 87107			GENERAL PURPOSE	10,000
ANIMAL HUMANE 9132 MONTGOMERY BLVD NE ALBUQUERQUE,NM 87111			GENERAL PURPOSE	3,000
ST MARTIN'S SHELTER 1201 3RD STREET NW ALBUQUERQUE,NM 87102			GENERAL PURPOSE	5,700
CUIDANDO DE LOS NINOS 1500 WALTER ST SE ALBUQUERQUE,NM 87102			GENERAL PURPOSE	5,000
HEADING HOME 215 THIRD STREET SW ALBUQUERQUE,NM 87102			GENERAL PURPOSE	800
ALBUQUERQUE HEALTHCARE FOR THE HOME 1217 1ST STREET NW ALBUQUERQUE,NM 87102			GENERAL PURPOSE	5,000
Total			 3a	48,500

TY 2013 Accounting Fees Schedule

Name: BANNER FOUNDATION

EIN: 85-0446587

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	3,749			

TY 2013 Compensation Explanation**Name:** BANNER FOUNDATION**EIN:** 85-0446587

Person Name	Explanation
CYRENE INMAN	
MARY ZOUHAR	
RAYMOND ZOUHAR	

**TY 2013 Investments Corporate
Bonds Schedule****Name:** BANNER FOUNDATION**EIN:** 85-0446587

Name of Bond	End of Year Book Value	End of Year Fair Market Value
ISHARES IBOXX HIGH YIELD CORP BD		
PIMCO TOTAL RETURN FUND INSTL		
COLUMBIA SHORT TERM BOND FUND	43,020	43,106

TY 2013 Investments Corporate
Stock Schedule

Name: BANNER FOUNDATION
EIN: 85-0446587

Name of Stock	End of Year Book Value	End of Year Fair Market Value
WISCONSIN ENERGY CORP		
WILLIAM BLAIR FUND INTL SM CAP GROWT	12,311	19,453
WESTAR ENERGY INC		
WELLS FARGO CO		
WASTE MGMT INC DEL		
WAL-MART STORES		
VICTORY SMALL CO OPPTY FUND		
VERIZON COMMUNICATIONS INC		
V F CORP		
US BANCORP DEL		
UNITED TECHNOLOGIES CORP		
UNITED PARCEL SVC INC		
UNDISCOVERED MANAGER FDS	29,170	30,963
TJX COS INC NEW		
TIME WARNER INC		
TEXAS INSTRS INC		
SHERWIN WILLIAMS CO		
SEMPRA ENERGY		
RPM INTL INC		
ROYAL DUTCH SHELL PLC		
RAYTHEON		
PROCTER & GAMBLE CO		
PRICE T ROWE GROUP		
PNC FINL SVCS GROUP INC		
PHILLIPS 66		
PHILLIP MORRIS INTL		
PFIZER		
PARKER HANNIFIN CORP		
OPPENHEIMER INTL GROWTH FUND	89,000	94,684
OCCIDENTAL PETE CORP DEL		

Name of Stock	End of Year Book Value	End of Year Fair Market Value
NORDSTROM INC.		
NEXTERA ENERGY INC		
MICROSOFT		
MFS SER TR I	15,000	19,257
METLIFE INC		
MERCK & CO INC		
MCDONALD'S		
MARSH & MCLENNAN COS INC		
MACY'S INC		
LYONDELLBASELL INDUSTRIES NV CL A CO		
LAZARD FUNDS INC EMERGING MKTS PORT		
KLA-TENCOR CORP		
KINDER MORGAN INC DEL		
KIMBERLY CLARK CORP		
JP MORGAN	14,930	14,930
JOHNSON & JOHNSON		
JOHN HANCOCK FDS DISCIPLINED	38,750	45,894
JANUS ENTERPRISE FUND	40,725	43,214
J P MORGAN CHASE & CO		
INTERNATIONAL BUSINESS MACHINES		
INTEL		
HONEWELL INTL INC		
HOME DEPOT, INC.		
FIFTH THIRD BANCORP		
EXXON		
EMERSON ELEC CO		
DUKE ENERGY CORP		
DU PONT E I DE NEMOURS & CO		
DOVER CORP		
DOMINION RES INC VA NEW		

Name of Stock	End of Year Book Value	End of Year Fair Market Value
DELAWARE EMERGING MKTS FUND	40,359	44,127
COLUMBIA SMALL CAP GROWTH		
COLUMBIA SELECT LARGE CAP GROWTH	75,944	112,221
COLUMBIA MID CAP GROWTH FUND		
COLUMBIA DIVIDEND INCOME FUND	119,000	133,020
CMS ENERGY CORP		
CME GROUP INC		
CISCO SYS INC		
CHUBB CORP		
CHEVRON CORP		
CAMBIAR SMALL CAP FUND	24,200	29,697
BRISTOL MYERS SQUIBB CO		
BOEING CO		
BLACKROCK INC CL A		
AUTOMATIC DATA PROCESSING, INC.		
AT&T		
AMGEN INC		
AMERICAN EXPRESS		
AMERICAN ELECTRIC POWER INC		
ALTRIA GROUP, INC		
ACE LTD		
ACCENTURE PLC CL A COM		
ABBVIE INC		
ABBOTT LABS		
COLUMBIA EMERGING MARKETS FUND	33,950	36,390

TY 2013 Investments - Other Schedule**Name:** BANNER FOUNDATION**EIN:** 85-0446587

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
IVY ASSET STRATEGY FUND CL I	AT COST	36,620	45,108
NUVEEN REAL ESTATE SECS FUND CL Y	AT COST	37,005	38,964
PERMANENT PORTFOLIO	AT COST	46,820	44,844
REMS REAL ESTATE VALUE OPPTY FUND	AT COST	14,687	19,689
PUBLIC STORAGE INC COM REIT	AT COST		
SIMON PPTY GROUP INC NEW	AT COST		
HATTERAS ALPHA HEDGED STRATEGIES	AT COST	43,950	45,200
PRUDENTIAL GLOBAL REAL ESTATE FUND	AT COST	17,175	18,920
CREDIT SUISSE COMMODITY-RETURN STRAT	AT COST	9,000	9,598
POWERSHARES DB CP,,PDOTY INDEX TRACK	AT COST	18,221	18,872

TY 2013 Other Expenses Schedule**Name:** BANNER FOUNDATION**EIN:** 85-0446587

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
BANK CHARGES	2,244	2,244		
OTHER EXPENSE	175	175		

TY 2013 Other Income Schedule

Name: BANNER FOUNDATION

EIN: 85-0446587

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
OTHER INVESTMENT INCOME	10	10	

TY 2013 Other Professional Fees Schedule

Name: BANNER FOUNDATION

EIN: 85-0446587

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OTHER PROFESSIONAL FEES	9,569	9,569		

TY 2013 Taxes Schedule

Name: BANNER FOUNDATION

EIN: 85-0446587

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAXES	556			

**FIRST RESTATED BYLAWS
OF
THE BANNER FOUNDATION**

**ARTICLE I
Name and Purpose**

Section 1.1. Name. This corporation shall be known as: The Banner Foundation ("Corporation").

Section 1.2. Purpose. The purposes for which the Corporation is formed are exclusively charitable, to wit:

(a) To receive and administer funds for religious, educational, medical, scientific and charitable purposes and to that end to take and hold by bequest, devise, gift, grant, purchase, lease, or otherwise, either absolutely or jointly with any other person, persons, or corporation, any property, real, personal, tangible, or intangible, or any undivided interest therein, without limitation as to amount or value; to sell, convey, or otherwise dispose of any such property and to invest, reinvest, or deal with the principal or the income thereof in such manner as, in the judgment of the directors, will best promote the purposes of the Corporation without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, the Articles of Incorporation, or these bylaws ("Bylaws"), or any applicable laws.

(b) Without limiting the generality of the foregoing, the primary purposes of the Corporation shall be for the exclusive benefit of making grants to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code").

(c) Alone or in cooperation with other persons or organizations to do any and all lawful acts and things which may be necessary, useful, suitable, or proper for the furtherance, accomplishment, or attainment of any or all of the purposes or powers of the Corporation.

Section 1.3. Restrictions. The Corporation is subject to the following restrictions:

(a) This Corporation shall not engage in any activities not permitted to be carried on by a Corporation exempt from federal income tax. The Corporation shall not participate in any political campaign in any manner. The Corporation shall not attempt to influence legislation.

(b) No part of the net earnings of the Corporation shall inure to the benefit of any director, officer or employee of the Corporation, or of any private individual (except that reasonable compensation may be paid for services rendered to or for the

Corporation affecting one or more of its purposes), and no director, officer or employee of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

(c) The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Code Section 4942 and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

(d) The Corporation shall not engage in any act of self-dealing as defined in Code Section 4941(d) and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

(e) The Corporation shall not retain any excess business holdings as defined in Code Section 4943(c) and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

(f) The Corporation shall not make any investments which jeopardize the carrying out of any of its exempt purposes so as to subject it to tax under Code Section 4944 and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

(g) The Corporation shall not make any taxable expenditures as defined in Code Section 4645(d) and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

(h) Upon the dissolution of the Corporation and the winding up of its affairs, the assets of the Corporation shall be distributed exclusively to charitable, religious, scientific, literary, or educational organizations which would then qualify under the provisions of Code Section 501(c)(3) and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

ARTICLE II

Directors

Section 2.1. Number and Term of Directors. The business, property and affairs of this Corporation shall be managed by a Board composed of at least three (3) persons. The initial Board was named in the Articles of Incorporation and thereafter successor directors shall be elected at regular annual director's meetings. Successor directors shall serve for a term of one (1) year, or until their successors are duly elected and qualified, or until their death, resignation or removal. A majority of directors present in person shall constitute a quorum for the transaction of business.

Section 2.2. Removal of Directors. Any director may be removed with or without cause upon a two-thirds majority vote of the other directors then in office.

Section 2.3. Vacancies. A vacancy on the Board shall be filled by the then serving directors. Each director so appointed to fill a vacancy on the Board shall remain a director until removed by the Board or until his or her successor director has been appointed by the Board.

ARTICLE III **Meetings of Directors**

Section 3.1. Annual Meeting of Board. Subject to the discretion of the Board to hold the annual meeting on any date, an annual meeting of the Board shall be held each year on a business day between July 1 and September 15.

Section 3.2. Place of Meeting. Any or all meetings of the Board of Directors ("Board") of this Corporation may be held within or outside of the State of New Mexico. Meetings shall be held at the office of the Corporation in Albuquerque, New Mexico, unless provided otherwise pursuant to a resolution adopted by the Board or in the notice of the meeting pursuant to Section 3.

Section 3.3. Notice of Annual Meeting. Not more than ten (10) days and not more than fifty (50) days prior to the date of the meeting, written notice date, time and place of the meeting shall be mailed or sent via electronic mail to each director. Each director is under a continuing duty to advise the Corporation of his or her current mailing address or electronic mail address. In the event of cancellation of the meeting, notice of such cancellation shall be sent as soon as is reasonably practicable after such cancellation. Notice of a rescheduled meeting shall be sent according to the terms and requirement of this Section. A director may waive notice of any meeting of the Board in writing at any time, regardless of whether the meeting has already been held.

Section 3.4. Special Meetings of Board of Directors. Special Meetings of the Board ("Special Meetings"), in addition to the annual meeting, may be called by the President or by any two (2) or more directors. Notice of a Special Meeting shall contain the information as provided in Section 3. and shall additionally include a description of all business to be transacted at the meeting. The notice must be signed by the President or the directors who call the Special Meeting, who shall cause such notice to be sent to each director as provided in Section 3. Unless the directors unanimously agree at the Special Meeting to transact business not described in the notice, the directors shall limit the business transacted at the Special Meeting to that business described in the notice.

Section 3.5. Electronic Participation. Directors may appear at a meeting by telephone, by videoconferencing, or by other electronic means as the Board may approve, so long as all directors are able to participate in the meeting simultaneously and in real time.

Section 3.6. Action Without a Meeting. The directors may unanimously consent in writing to take any corporate action without a meeting of the Board.

ARTICLE IV
Powers, Duties and Responsibilities of the Board

Section 4.1. General Powers, Duties and Responsibilities. The Board has the following general powers, duties and responsibilities, in addition to the enumerated powers, duties and responsibilities set forth hereinafter in Sections 4.2. through 4.10., and powers granted by New Mexico statute.

(a) The management of the Corporation, including without limitation, management of corporate affairs and corporate assets, is vested exclusively in the Board. The Board shall have the exclusive care, custody and control of all of the assets of the Corporation. The Board shall exercise all of the corporate powers pursuant to and subject to the laws of the State of New Mexico, the Articles of Incorporation and the Bylaws.

(b) The Board may distribute corporate assets and income in furtherance of the purposes of the Corporation, to whom, in what amounts, at what times and under what conditions it deems appropriate, including distributions in cash, in kind, by establishing supporting grants or by maintaining research and studies, but any such distribution must be exclusively of the type permitted by the Articles of Incorporation.

(c) The Board may appoint a corporate trustee to receive, manage, hold, invest and disburse the income and assets of the Corporation, subject to the control of the Board; the Board may enter into an agreement containing the terms and conditions of such relationship, including without limitation the powers and duties of a corporate trustee.

(d) The Board may pay reasonable salaries or other compensation to officers and directors for services actually rendered by them to the Corporation.

(e) The Board may borrow money on behalf of the Corporation and may use corporate property to secure such loans.

(f) Notwithstanding any other provision herein to the contrary, the powers, duties and responsibilities of the Board are to be exercised by it in a fiduciary capacity and in furtherance of the purposes of the Corporation; such powers, duties and responsibilities are expressly restricted to prevent the Board from taking any action that would be in contravention of such purposes.

Section 4.2. Power to Appoint Officers. The Board shall appoint persons from the Board to serve the Corporation as officers as follows: President, Secretary and Treasurer. The Board may appoint one person to hold two or more such positions, except that the positions of President and Secretary may not be held by the same person.

Section 4.3. Power to Appoint Other Officers and Agents. The Board may appoint such other officers and agents as it deems necessary for the transaction of the business of the Corporation. The directors may appoint assistants to the officers.

Section 4.4. Removal of Officers. Any officer may be removed with or without cause upon a two-thirds majority vote of the Board or a quorum thereof.

Section 4.5. Officer Vacancies. The Board shall appoint a person to fill an officer vacancy as soon as is reasonably practicable.

Section 4.6. Delegation of Powers. The Board may delegate any or all of the powers and duties of an officer to another officer for any reason.

Section 4.7. Honorary Directors. The Board may appoint Honorary Directors to the Board ("Honorary Director"). Such Honorary Directors shall have no voting rights or other powers or duties of directors and shall not be entitled to compensation in their capacities as Honorary Directors.

Section 4.8. Executive Director. The Board may appoint an Executive Director to act as an advisor to the Board.

(a) The Executive Director shall work with the officers to implement the purposes of the Corporation. The Executive Director shall prepare the annual report to the New Mexico Public Regulation Commission and shall maintain them and make them available to the general public for inspection during regular business hours. The Executive Director shall have such additional powers, duties and responsibilities as may be determined by the Board.

(b) The Executive Director may not be a voting member of the Board.

(c) The Board may set a reasonable level of compensation for the services performed by the Executive Director on behalf of the Corporation.

(d) The Executive Director may be removed with or without cause upon a two-thirds majority vote of the Board or a quorum thereof.

Section 4.9. Employees. The Board may hire employees with such additional powers, duties and responsibilities as it shall determine to facilitate the business and purposes of the Corporation.

Section 4.10. Distributions. The Board, acting alone or upon the advice of others after conducting appropriate investigation and research, shall not less frequently than annually:

(a) Determine all distributions to be made from net income and principal of the Corporation pursuant to provisions of the Articles of Incorporation and these Bylaws

in such amounts and at such times, with such accompanying restrictions, if any, as it deems necessary to assure their use for the charitable, religious, scientific, literary or educational purposes of the Corporation, and

(b) Determine all disbursements to be made for administrative expenses incurred by the Board.

(c) Directors shall disclose the fact that they are associated or related to organizations or persons to whom the Corporation makes distributions and disbursements. Such disclosures shall be made in advance of such distributions or disbursements and shall be entered in the minutes of any meeting of the Board, or if such disclosure is not made at a meeting, it shall be made in a writing addressed to the President and signed by such directors.

ARTICLE V

Officers

Section 5.1. President. The President shall be the chief executive officer of the Corporation and shall preside over all meetings of the Board. The President shall be an *ex-officio* member of all standing committees. The President shall have such additional powers, duties and responsibilities as may be determined by the Board.

Section 5.2. Secretary. The Secretary shall attend all meetings of the Board and shall preserve in the books of the Corporation true minutes of the proceedings of all such meetings. The Secretary shall safely keep in his or her custody the seal of the Corporation, if any, and shall have authority to affix the same to all instruments where its use is required. The Secretary shall cause all notices to be issued pursuant to the Bylaws, resolution of the Board or other law. The Secretary shall have such additional powers, duties and responsibilities as may be determined by the Board.

Section 5.3. Treasurer. The Treasurer is primarily responsible for the management of corporate finances.

(a) The Treasurer shall deposit corporate receipts in such corporate depositories as the Board may designate. The Treasurer shall make such distributions as the Board may resolve. The Treasurer shall keep accurate books detailing all corporate receipts, distributions and other financial transactions, such books to remain the property of the Corporation. The Treasurer shall render an accounting of all corporate financial transactions and of the overall financial condition of the Corporation at the annual meeting, and at such other times as the President or Board may request. The Treasurer shall have such additional powers, duties and responsibilities as may be determined by the Board.

(b) When a Treasurer ceases to so serve, for whatever reason, that Treasurer (or his or her representatives) must return all corporate property of whatever kind in the possession or control of the Treasurer (or his or her representatives) to the

Corporation within three (3) months of such cessation of service. The Board may require the Treasurer to post bond to secure the performance of the duties of the Treasurer.

ARTICLE VI

Execution of Instruments

Section 6.1. Checks, Banking. All checks, drafts and orders for payment of money shall be signed in the name of the Corporation by the President or any officer of the Corporation authorized by the Board so to act.

Section 6.2. Contracts, Conveyances, etc. When the execution of any contract, conveyance or other instrument has been authorized by the Board, the President or any officer of the Corporation authorized by the Board so to act may execute the same in the name and on behalf of this Corporation and may affix the corporate seal thereto. The affixing of the corporate seal is not a condition to the effectiveness of any contract, conveyance or other instrument executed by the Corporation. The Board shall have the power to designate the officers and agents who shall have the authority to execute any instrument on behalf of this Corporation.

ARTICLE VII

Accounting Year

Section 7.1. Accounting Year. The accounting year of the Corporation shall be based on the calendar year.

ARTICLE VIII

Indemnification of Officers, Managers and Directors

Section 8.1. Indemnification. The Corporation may indemnify any director, officer or employee or former director, officer or employee ("Corporate Representative") against reasonable expenses, costs and attorney's fees actually and reasonably incurred by him or her in connection with the defense of an action, suit or proceeding, civil or criminal, in which he or she is made a party by reason of being or having been a Corporate Representative. The indemnification may include any amounts paid to satisfy a judgment or to compromise or settle a claim. The Corporate Representative shall not be indemnified if he or she shall be liable, as determined by the Board, on the basis that he or she breached or failed to perform the duties of his or her office and the breach or failure to perform constitutes willful misconduct or recklessness.

Section 8.2. Advance indemnification. The Corporation may indemnify a Corporate Representative in advance for prospective reasonable expenses to be incurred in connection with the defense of the action, suit or proceeding provided that the Corporate Representative must reimburse the Corporation if it is subsequently determined by the Board that the Corporate Representative was not entitled to indemnification.

Section 8.3. When Authorized. The Board shall determine whether or not to indemnify any Corporate Representative on a case by case basis. Such determination shall be made only by directors who are not parties to such action, suit or proceeding.

ARTICLE IX

Distribution Upon Dissolution

Section 9.1. Distribution Upon Dissolution. Upon dissolution of the Corporation, the assets of the Corporation shall be applied and distributed as follows:

(a) All liabilities and obligations of the Corporation shall be paid and discharged, or adequate provision shall be made therefor;

(b) Assets held by the Corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements;

(c) Assets received and held by the Corporation subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational or similar purposes, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more nonprofit domestic or foreign corporations, nonprofit societies or nonprofit organizations, pursuant to a plan of distribution adopted as provided in the Nonprofit Corporation Act (NMSA 1978 § 53-8-1, *et seq.*);

(d) Other assets, if any, shall be distributed for one or more exempt purposes within the meaning of Code Section 501(c)(3) or the corresponding provision of any future federal tax code and any regulations promulgated thereunder, or shall be distributed to the federal government, or to a state or local government for a public purpose, but in no event may any Corporate Representative directly or indirectly receive any distribution or portion of a distribution of any assets; and

(e) Any remaining assets shall be disposed of by the district court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated for such permissible purposes.

ARTICLE X

Miscellaneous

Section 10.1. Amendment of the Bylaws. The Bylaws may be amended or repealed by an affirmative vote of two-thirds of the Board.

Section 10.2. Gift to the Corporation. Gifts shall vest in the Corporation upon receipt and acceptance thereof by an officer or director. Receipt and acceptance of a

negotiable instrument shall be evidenced by endorsement thereon by an officer or director.

Section 10.3. Notices. Unless otherwise provided, all notices required to be given by any provision herein shall state the authority pursuant to which they were issued, e.g., "by order of the President," or "by order of the Board," and shall bear the printed name and signature of the Secretary. Notice shall be deemed duly served upon:

(a) Delivery to a mailbox or representative of the United States Postal Service, to a mailbox or a representative of a private mail delivery service, with fully prepaid postage, addressed to the addressee at his or her last known address appearing in the records of this Corporation; or

(b) In the case of electronic mail, pursuant to the provisions of the Uniform Electronic Transactions Act (NMSA 1978 § 14-16-1, *et seq.*).

Section 10.4. Singular and Plural; Gender. Unless the context clearly requires otherwise, words denoting the singular may be construed as plural and words of the plural may be construed denoting the singular. Words of gender may be construed as denoting another gender (including nongender such as "it") as is appropriate within the context.

Section 10.5. Heading of Articles, Sections and Subsections. The headings of Articles, Sections and Subsections are included solely for the convenience and reference of the reader. They shall have no significance in the interpretation or construction of this document.

Section 10.6. Severability. The invalidity or unenforceability of any provision of this document shall not impact the validity or enforceability of any other provisions of this document. If a court of competent jurisdiction determines that any provision is invalid, the remaining provisions of this document shall be interpreted and construed as if the invalid provision had never been included in this document.

Section 10.7. Governing Law. These Bylaws will be governed by and construed according to the laws of the State of New Mexico.

[signatures on following page]

The foregoing Bylaws were adopted by the directors on the 3rd day of August, 2011.

Cyrene L. Inman
CYRENE L. INMAN, President

Raymond Zouhar
RAYMOND ZOUHAR, Secretary

Mary Zouhar