

A RESOLUTION TO DISSOLVE THE SOCORRO ELECTRIC COOPERATIVE

The purpose of this resolution is to direct the Trustees to provide information to the membership regarding dissolution of the Cooperative and sale of its assets. The resolution sets out the actions the Board of Trustees are to take in order to provide this information to the membership in a timely manner. Furthermore, it sets a timeline for the membership to consider that information. Furthermore, it sets a date for a special meeting and vote of the membership on the issue of dissolution of the Cooperative and sale of its assets. The resolution below is intended to be proposed for a vote at the 2015 Annual Meeting. It will be submitted at the November 15, 2014 District 3 meeting.

RESOLUTION TO DISSOLVE THE COOPERATIVE

WHEREAS, the dissolution of the Cooperative is a topic among the membership;

WHEREAS, dissolution of the Cooperative and sale of its assets is an alternative to address long-standing member concerns;

WHEREAS, the members of the Socorro Electric Cooperative are not able to make an informed decision on the dissolution of the Cooperative and sale of its assets without additional information;

BE IT RESOLVED that we, the members of The Socorro Electric Cooperative, Inc., in this Annual Meeting duly assembled, and in accord with By-Laws of this Cooperative, hereby direct that the Board of Trustees of the Socorro Electric Cooperative, Inc. shall:

1. Within 30 calendar days of passage of this resolution hire a qualified consulting firm, who's prior history with the Socorro Electric Cooperative, Board of Trustees, and providers of accounting, audit, or legal services to the Board, would present no conflict of interest while representing the interest of the members in dissolution and sale of the Cooperative, directing them to:
 - a. Investigate and issue a final written report to the membership within 90 calendar days of hire, and a draft report within 60 calendar days of hire, including:
 - i. Providing an estimate of the sale price of the Cooperative based on but not limited to: valuation of the assets and liabilities of the Cooperative, goodwill, monopoly, and potential profits to the buyer.
 - ii. The results of investigation of potential buyers of the Cooperative and solicitation of offers for purchase of the Cooperative assets.
 - iii. The value of the probable return of capital to the membership following dissolution of the Cooperative according to Article II, Section 1. of the By-laws, on an aggregate and individual member basis.
 - iv. The electric rates to be expected from a regulated new owner.
 - b. Establish a temporary website for the purpose of presenting the draft report to the membership for comment, and providing the members a forum to discuss the findings of the report in public and private on said website.
 - c. Prepare and deliver a presentation to the membership including findings of the report and recommendations regarding selection of buyer(s) at the Special Meeting described below.
2. Hold a Special Meeting as described in the By-Laws of the Cooperative within 150 days of passage of this resolution for the limited and express purpose of:
 - a. Presenting a forum for the members to directly question the consultants about the report.
 - b. Determining if the membership shall order the Trustees to proceed with an immediate and orderly dissolution and sale of the assets of the Socorro Electric Cooperative by holding a vote of the membership according to the By-Laws of the Cooperative on a resolution crafted with the intent to direct dissolution and sale.
3. Reserve budget for the execution of this resolution in an amount sufficient to complete the effort described in 1. and 2. above.
4. Cease and desist all attempts to discourage member-supported initiatives including but not limited to use of outside funds and organizations for opposition to dissolution or sale of the Cooperative.
5. Not impede the work of the consultants, their access to complete information, as needed, in a timely manner, or their free communication with Cooperative employees, contractors, consultants, service providers, or members. The effort described here is for the benefit of all members. The Board of Trustees and Cooperative employees will make all reasonable attempts to assist the effort.