

It shall be the aim of THE SOCORRO ELECTRIC COOPERATIVE, INC. to make electric energy available to its members at the lowest cost consistent with sound economy and good management

**BY-LAWS
of
THE SOCORRO ELECTRIC COOPERATIVE, INC.
Socorro, New Mexico**

**ARTICLE I
Membership**

Section 1. Requirements for Membership. Any person, firm, limited liability company, partnerships, sole proprietorship, association, corporation, or body politic or subdivision thereof may become a member in **The Socorro Electric Cooperative, Inc.** (hereinafter called the "Cooperative") by,

- (a) filing a written application or statement for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy as herein specified;
- (c) agreeing to comply with and be bound by the Articles of Incorporation and By-Laws of the Cooperative and any rules and regulations adopted by the Board of Trustees provided, however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he/she or it has been accepted for membership by the Board of Trustees or the members. No membership in the Cooperative shall be transferable, except as provided by these By-Laws.

Section 2. Membership Certificates. The Cooperative may issue membership certificates to Members in a manner, method, and form determined by the Board. Membership in the Cooperative may be evidenced by a membership certificate or membership application signed by applicant/member which, may be in such form and shall contain such provisions as may be determined by the Board of Trustees. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board of Trustees may prescribe.

Section 3. Joint Membership. A husband and wife shall be considered a joint Membership. Other persons residing at the same address and listed on the member account will be considered a joint membership entitled to only one vote upon registering (except as otherwise provided in Section 1), and subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member, and of constituting a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or trustee provided that he/she meet the qualifications for such office;
- (h) Upon the death of either party who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due to the Cooperative.

Section 4. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative electric energy used on the premises specified in his/her application for membership, and shall pay therefore monthly rates which shall from time to time be fixed by the Board of Trustees. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided by these By-Laws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Trustees from time to time. Each member shall also pay all amounts owed by him/her to the Cooperative as and when the same shall become due and payable. A member shall provide the Cooperative with right-of-way easement for purposes of serving electric service to members home or business.

Section 5. Termination of Membership.

a. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two-thirds of all trustees, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, By-Laws or rules or regulations adopted by the Board of Trustees, but only if such member shall have been given written notice by the secretary of the Cooperative that such failure makes him/her liable to expulsion and such failure shall have continued for at least ten days after such notice was given. The membership of a member who has ceased to purchase energy from the Cooperative, shall be canceled by Resolution of the Board of Trustees.

b. Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his/her estate from any debts due the Cooperative.

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 by these By-Laws, 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 bears to the total percentage of all members during the seven years next preceding the date of the filing of the certificate of dissolution, or if the Cooperative shall not have been in existence for such period, during the period of existence.

Section 2. Non-liability for Debts of Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no members shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III

Meetings of the Members

Section 1. Annual Meeting. The annual meeting of the members shall be held sometime between April 1 and May 30 inclusive each year at such place in Socorro, in the County of Socorro, State of New Mexico, as shall be specified in the notice of the meeting, for the purpose of passing on 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 of Trustees 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.

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

Section 3. District Meetings. A District Meeting of the members shall be held in each district sometime during the month of October or November, only in those years when there is an election of trustee(s), at such time and such place within each district as shall be specified by the Board of Trustee(s) for the purpose of electing trustee(s), passing on 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 of Trustees to make adequate plans and preparations for such meetings in time to enable the required notice to be given.

Failure to hold a district meeting in any district or districts shall not work a forfeiture or dissolution of the Cooperative nor adversely affect the rights and privileges of the members of such districts.

The District Meeting shall be called to order by a trustee representing such district, or by another designated representative of the Board of Trustees, or in the absence of any such person, by a member residing within such district. Thereupon, the members of said District shall proceed to elect a chairman of the meeting, who shall not be a trustee, and the chairman so elected shall then appoint a secretary for such a meeting.

A certified copy of the minutes, signed by the chairman and secretary of the meeting shall be delivered to the Secretary of the Cooperative before the last day of the calendar year during which the meeting was held.

Section 4. Special District Meetings. Special meetings of the members in any district may be called by resolution of the Board of Trustees, or upon written request signed by any three trustees, by the President, or by ten per centum or more of all the members in such district, and it shall thereupon be the duty of the Secretary to cause notice of any such meeting to be given as hereinafter provided. Special district meetings may be held at any place within the district specified in the notice of the special meeting.

Section 5. Notice of Member's Meetings. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting or 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 or more than thirty days, unless otherwise provided in these By-Laws, before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member or in the case of District Meetings, to each member in the district. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his/her 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 District or Special Meeting of the members shall not invalidate any action which may be taken by the members at such meeting.

Section 6. Quorum at all Meetings. Three per centum of the total membership registered shall constitute a quorum. If less than a quorum is registered at any meeting, a majority of those registered may adjourn the meeting from time to time without further notice. The minutes of each meeting shall contain a list of the members registered. These provisions shall apply equally to district meetings as well as general meetings of the members.

Section 7. Voting at all Meetings. Each member, who is not suspended on the record date, shall be entitled to cast one (1) vote, regardless of the value or quantity of Cooperative services used, upon each matter submitted to a vote at a meeting of the members.

All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation or these By-Laws.

Section 8. Proxies. There shall be no voting by proxies at any meeting. A principal or designated agent casting a vote for a non-person member as mentioned in Article I, Section 1, does not constitute a proxy vote.

Section 9. Vote by Entity Member. To be eligible to vote as a designated agent for a non-person member, an entity member, the designated agent must be one of the following:

1. Owner of at least 20% of the non-person, the entity, member.
2. A partner of the non-person member.
3. An elected officer of the non-person member.
4. A designated agent for the entity member.

A. Providing Evidence of Principal or Designated Agent. If an agent has been designated to cast a vote under Subsections 3 & 4, that agent must present evidence requested by and satisfactory to the Cooperative that the individual is authorized to vote for the Entity member. Entity Members include but are not limited to: schools, churches; federal, state, county and city governments; firms and associations. Such evidence must be presented to the Cooperative at the time of registration. Such evidence must be one of the following:

1. Minutes from the Entity Member designating the principal or designated agent and specifying the member meeting at which, or the date during which, the designated agent may vote. Minutes must be signed by the president and secretary of the entity.
2. Notarized document designating the principal or designated agent and specifying the member meeting at which, or the date which, the designated agent may vote. Document must be signed by the CEO, president, or chairperson of the Entity Member.

Section 10. Order of Business at Annual Meetings. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows;

1. Registration.
2. Report on the number of members registered in person in order to determine the existence of a quorum.
3. Reading of the notice of the meeting and proof of the publication or mailing thereof, or the waiver of notice of the meeting as the case may be.
4. Reading of the unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
5. Presentation and consideration of the reports of officers, trustees and committees.

6. Reports of District Meetings.
7. Unfinished business.
8. New Business.
9. Adjournment.

Section 11. Order of Business at District Meetings. The order of business at each District Meeting of the members and, so far as possible, at all other district meetings of the members shall be as follows:

1. Registration.
2. Casting of votes for Trustees.
3. Call meeting to order. Refer to Article III Section 3.
4. Report on the number of members registered in order to determine the existence of a quorum.
5. Reading of the notice of the meeting and proof of publication or mailing thereof, or the waiver or waivers of notice of the meeting as the case may be.
6. Reading of the unapproved minutes of previous district meetings of the members and the taking of necessary action thereon.
7. Presentation and consideration of reports of officers, trustees and committees.
8. Report by trustees of the district.
9. Announcement of election results for trustee(s) by the Chairman.
10. Unfinished business.
11. New business.
12. Adjournment.

Section 12. Action by Members at District Meetings. Any proposition submitted at a District Meeting and adopted by resolution by a majority of the members voting, together with any document submitted with the resolution, must be reported to and submitted for consideration at the next succeeding annual meeting, or special meeting members, if the resolution so provides. In the event one or more resolution(s) are adopted, one or more delegates may be elected to represent or speak for the district on behalf of such resolution or resolutions at the annual meeting at which such resolution or resolutions are to be reported or considered.

Section 13. Conduct of Meetings. At all meetings of the members, of the Board of Trustees, and any committees thereof, meeting procedure, except as provided by law or Articles of Incorporation, shall follow the parliamentary guidelines set forth in Robert's Rules of Order.

Section 14. Fair Elections. The Socorro Electric Cooperative, Inc., Board of Trustees shall make adequate arrangements for, and assure Fair Elections, which include voting by mail and election administration by a third party accounting firm

ARTICLE IV

Persons and Entities Who Are Ineligible To Vote

Non-Members, account holders or persons receiving service without a membership and satellite subscribers alone shall have no vote.

ARTICLE V

Trustees

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of five trustees which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these By-Laws conferred upon or reserved to the members.

Section 2. Election and Tenure of Office. All trustees shall be elected by secret ballot, from and by the members of the district they represent, to serve until the expiration of their four year term of office or until their successors shall have been elected and shall have qualified or as otherwise provided by these By-Laws. Trustees shall be elected by a plurality vote of the members of the district present and voting. District meetings which are held for the election of trustees which fail to have a quorum present shall result in the incumbent trustee(s) serving until the next special meeting which will be held within one year. If the special meeting fails to have a quorum, then the incumbent trustee shall serve the remainder of his/her term (3 years).

No member of the Board of Trustees of The Socorro Electric Cooperative shall serve more than two consecutive terms.

Section 3. Qualifications. No person shall be eligible for candidacy, election, or appointment to become or remain a trustee who:

1. Is not a member and bona fide resident physically residing in the district which he/she will represent and who has not been a member and bona fide resident of that district for at least 12 consecutive months.
2. Is in any way employed by or financially interested in a competing enterprise or business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative; or
3. Is the incumbent of an elective public office in connection with which a salary or compensation in excess of one hundred dollars per annum is paid; or
4. Has a relative presently serving as a trustee or in the regular employ of the Cooperative who is related within one of the following degrees of relationship, by blood or marriage; father, mother, brother, sister, grandmother, grandfather, uncle, aunt, nephew, niece.
5. Has been convicted of a felony.

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

Nothing in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Trustees.

Section 4. Board of Trustee Elections.

Public Notice: Not more than sixty (60) days or less than forty-five (45) days before the date of a district meeting of the members at which the election of trustees will be conducted, the Board of Trustees shall give public notice of pending district election by publishing at least one notice of said election or the mailing of one notice to each of the members of the district. The notice will state the date when the election will be held; the offices to be filled, the period during which candidacy must be declared; and where candidacy must be filed.

B. Declaration of Candidacy. A candidate for the office of trustee shall file a declaration of candidacy in the office of The Socorro Electric Cooperative, Inc. in Socorro, New Mexico, after the printed notification of the election and before 4:00 P.M. on that day thirty (30) days before the date of the District Meeting. The declaration shall contain the name of the candidate, a notarized statement of eligibility, and, if there be more than one (1) position, which position is sought.

C. Ballots: Ballots shall be furnished by the Cooperative and shall contain the name of each candidate for a position on the Board of Trustees. Voting machines may be used in lieu of ballots for the recording of votes cast in a district election.

D. Election Officials: The Board of Trustees shall appoint three (3) or more election officials and designate one individual so appointed to serve as chairman of the election officials for the district meeting. Election officials, who must be members of the district, will supervise the election to include: registration, balloting, counting of the voting and safeguarding all voting material. The chairman will certify the registration and tally the votes cast.

E. Voting: Each member may cast one vote for one candidate for each office of trustee to be filled. The candidate or candidates, if there be more than one regular vacancy, receiving the greatest number (plurality) of votes shall be declared the official trustee, or trustees, of the district.

F. Certification: The minutes of such meeting shall set forth the name of each candidate, the number of votes received by each and shall specify the official trustee, or trustees, elected to fill the office or offices of trustee of the district.

Section 5. Removal of Trustees. Any member may bring charges against a trustee of his/her district and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum of the members of the trustee's district, may request the removal of such trustee by reason thereof. Such trustee shall be informed in writing of the charges at least ten days prior to the district meeting of the members at which 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 against him/her shall have the same opportunity. The question of the removal of such trustee shall be considered and voted upon by majority vote at the district meeting of the members and any vacancy created by such removal may be filled by a vote of the

members at such meeting without compliance with the foregoing provisions with respect to nominations.

Section 6. Vacancies. Upon the occurrence of a vacancy on the Board of Trustees, the Board of Trustees at that time, shall hold a special district meeting within 90 days for that district to elect a trustee to fill the vacancy for the remainder of the term so long as the remainder of the term is at least one (1) year.

Section 7. Compensation. Trustees shall not receive any salary for their services as such, except that members of the cooperative may, by resolution, or by amendment to these By-Laws authorize a fixed sum 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, trustees 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 trustee shall receive compensation for serving the Cooperative in any other capacity, close relative of a trustee shall 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 trustee or his/her close relative shall have been certified by the Board as an emergency measure. (Refer to resolution dated 6/10/67 attached at the end of these By-Laws).

All expenses incurred by the Trustees of The Socorro Electric Cooperative, Inc., on behalf of a trustee shall not exceed \$10,000 per year, with the exception of the President of the Board of Trustees for which the limit shall be \$15,000 per year. This sum includes but is not limited to: per diem payment, insurance, travel, conference fees, meals-regardless of whether those payments are made based on a schedule of payments or as reimbursement of actual expenses, and regardless of whether those payments are made directly to a trustee or on behalf of the trustee to accomplish business for the SEC.

Section 8. Division into Districts. For the purpose of assuring equitable representation on the Board as well as for other purposes of convenience to the Cooperative, the area served by the Cooperative is divided into districts.

The service area comprising the Socorro Electric Cooperative, Inc., shall be divided into five representative voting districts of as equal member population as possible and the members of each shall elect one trustee.

Hereafter, whenever it is deemed proper and necessary by the Board of Trustees or at the proper time, the Board of Trustees shall appoint a District Survey Committee, of not less than three or more than five for the purpose of surveying, considering and weighing a method of justification for the creation of or changing of Districts. Upon completion of such survey a report will be made to the Board of Trustees; which report will be acted on by the Board of Trustees; but in no event shall

said report become official until ratified by the members at and during the annual meeting. Districts of the Cooperative are as follows:

A. District No. 1: Beginning at the point where the township line between T5N and T6N intersects the line between R2W and R3W; thence east along the township line dividing T5N and T6N to the point of intersection with the North-South New Mexico Principal Meridian; then south along the North-South New Mexico Principal Meridian to the County line dividing Valencia and Socorro Counties; thence easterly along the north boundary of Socorro County to the Rio Grande; thence north along the east bank of the Rio Grande to a point due west of a point 100 feet northwest of where New Mexico Hwy 304 crosses the Santa Fe Railroad at Madron; thence east to the Santa Fe Railroad; thence southeast along the Santa Fe Railroad to the boundary line between the Tome Grant and the Casa Colorado Grant; thence east along the south boundary of the Tome Grant line to the County line Between Valencia and Torrance Counties; thence southerly along the Valencia-Torrance County line to the southwest corner of Sec. 15, T1N, R5E; thence east to the point of intersection with 106°20' west longitude; thence south to the point of intersection with the township line dividing T1S and T2S; thence west along the township line dividing T1S and T2S to a point where said line intersects with the range line dividing R1W and R2W; thence north along the range line dividing R1W and R2W to a point where said line intersects the southern boundary of the Sevilleta National Wildlife Refuge; thence northwesterly along the south boundary of the Sevilleta National Wildlife Refuge to the point of intersection with the township line dividing T1S and T1N; thence west along the township line dividing T1S and T1N to the point that said boundary intersects with the range line dividing R2W and R3W; thence north along the township line dividing R2W and R3W to the point of beginning.

B. District No. 2: Beginning at the point where the township line between T5N and T6N intersects the line between R8W and R9W; thence east along the township line dividing T5N and T6N to the point of intersection with the range line dividing R2W and R3W; thence south along the range line dividing R2W and R3W to the point where said line intersects with the township line dividing T1S and T1N; thence east along the township line dividing T1S and T1N to the point of intersection with the south boundary of the Sevilleta National Wildlife Refuge; thence southeasterly along the south boundary of the Sevilleta National Wildlife Refuge to the point where said boundary intersects the range line dividing R1W and R2W; thence south along the range line dividing R1W and R2W to the point where said range line intersects with the township line dividing T1S and T2S; thence east along the township line dividing T1S and T2S to the point where said line intersects US Interstate 25; thence southerly along US Interstate 25 to the point where US Interstate 25 intersects the northeast corner of the city limits of Socorro; thence southwesterly along the city limits of Socorro to the point where said boundary intersects Lopezville Rd; thence southerly along Lopezville Rd to the point where said road intersects Bullock Blvd. and Olive Ln.; thence southwesterly along Olive Ln. to the point where said road intersects with Leroy Pl. and Neel St.; thence southeasterly along Neel St. to the point of intersection with Mt. Carmel Ave.; thence southerly along Mt.

Carmel Ave. to the point of intersection with Grant St.; thence southerly along Grant St. to the point of intersection with Spring St.; thence west along Spring St. to the point of intersection with US Highway 60; thence southwesterly along US Highway 60 to the point of intersection with Michigan Ave. and Granada St; thence southwesterly along Michigan Ave. to the point of intersection with US Highway 60; thence southwesterly along US Highway 60 to the point of intersection with the range line dividing R1W and R2W; thence south along the range line dividing R1W and R2W to the point of intersection with the township line dividing T4S and T5S; thence west along the township line dividing T4S and T5S to the point of intersection with the range line dividing R2W and R3W; thence north along the range line dividing R2W and R3W to the point of intersection with the township line dividing T3S and T4S; thence west along the township line dividing T3S and T4S to the point of intersection with the range line dividing R5W and R6W; thence south along the range line dividing R5W and R6W to the point of intersection with the township line dividing T4S and T5S; thence west along the township line dividing T4S and T5S to the point of intersection with the range line dividing R7W and R8W; thence north along the range line dividing R7W and R8W to the point of intersection with the township line dividing T2S and T3S; thence west along the township line dividing T2S and T3S to the point of intersection with the range line dividing R8W and R9W; thence north along the range line dividing R8W and R9W to the place of beginning.

C. District No. 3: Beginning at the northwest corner of the city limits of Socorro; thence southeasterly along the city limits of Socorro to the point where said boundary intersects the Burlington Northern Santa Fe Railroad; thence south along the Burlington Northern Santa Fe Railroad to the point of intersection with Otero Ave.; thence west along Otero Ave. to the point of intersection with US Interstate 25; thence south along US Interstate 25 to the intersection with Manzanares Ave.; thence west along Manzanares Ave. to the point of intersection with 5th (Fifth) St.; thence south along 5th (Fifth) St. to the point of intersection with the athletic field parking lot access road; thence west along the access road to the point of intersection with 6th (Sixth) St; thence west along 6th (Sixth) St to the point of intersection with Spring St.; thence west along Spring St. to the point of intersection with Grant St.; thence north along Grant St. to the point of intersection with Mt. Carmel Ave; thence northerly along Mt. Carmel Ave. to the point of intersection Neel St.; thence northerly along Neel St. to the point of intersection with Leroy Pl. and Olive Ln.; thence northerly along Olive Ln. to the point of intersection with Lopezville Rd.; thence northerly along Lopezville Rd. to the point of intersection with city limits of Socorro; thence northerly along the city limits of Socorro to the place of beginning.

D. District No. 4: Beginning at a point where the township line dividing T1S and T2S intersects US Interstate 25; thence east along the township line dividing T1S and T2S to the point of intersection with the range line dividing R6E and R7E; thence south along the range line between R6E and R7E to the intersection with township line between T3S and T4S; thence east along line dividing T3S and T4S to a point where said line

intersects the east boundary of Socorro County; thence southward, westward and southward following the east boundary of Socorro County to a point where said boundary intersects the east boundary of Sierra County; thence south along the east boundary of Sierra County to the line dividing T11S and T12S; thence west along the line dividing T11S and T12S to a point where said line intersects the North-South New Mexico Principal Meridian; thence north along the North-South New Mexico Principal Meridian to a point where a Principal Meridian intersects the southern boundary of Socorro County; thence east along the southern boundary of Socorro County to a point where said boundary intersects with the west boundary of T9S, R1E; thence north along the west boundary of R1E to the point of intersection with the south boundary of the Bosque Del Apache Grant; thence northerly along the west boundary of the Bosque Del Apache Grant to the point of intersection with the southern boundary of T5S, R1W; thence northwesterly along the west boundary of R1W to the point of intersection with US Highway 60; thence northeasterly along US Highway to Michigan Ave.; thence northeasterly along Michigan Ave. to the intersection with US Highway 60; thence northeasterly along US Highway 60 to the intersection with Spring St.; thence east along Spring St. to the point of intersection with 6th (Sixth) St.; thence east along 6th (Sixth) St. to the point of intersection with the athletic field parking lot access road; thence east along the access road to the point of intersection with 5th (Fifth) St.; thence north along 5th (Fifth) St. to the point of intersection with Manzanares Ave.; thence east along Manzanares Ave. to the point of intersection with US Interstate 25; thence north along US Interstate 25 to the intersection with Otero Ave.; thence east along Otero Ave. to the point of intersection with the Burlington Northern Santa Fe Railroad; thence north along the Burlington Northern Santa Fe Railroad to the point of intersection with the city limits of Socorro; thence westerly along the city limits of Socorro to the intersection with US Interstate 25; thence northerly along US Interstate 25 to the place of beginning.

E. District No. 5: Beginning at a point on the New Mexico-Arizona state boundary where said boundary is intersected by the southern boundary of the Zuni Indian Reservation thence easterly along the southern boundary of the Zuni Indian Reservation to a point where said boundary intersects the township line dividing T8N and T9N; thence east along line dividing T8N and T9N to a point where said line intersects with range line dividing R12W and R13W; thence south along the line dividing R12W and R13W to a point where said line intersects with township line dividing T5N and T6N; thence east along line dividing T5N and T6N to a point where said line intersects the range line dividing R8W and R9W; thence south along the line dividing R8W and R9W to a point where said line intersects the township line dividing T2S and T3S; thence east along line dividing T2S and T3S to a point where said line intersects with range line dividing R7W and R8W; thence south along the line dividing R7W and R8W to a point where said line intersects the township line dividing T4S and T5S; thence east along the township line dividing T4S and T5S to a point where said line intersects with range line dividing R5W and R6W; thence north along the line dividing R5W and R6W to a point where said line intersects the township line dividing T3S and

T4S; thence east along the township line dividing T3S and T4S to a point where said line intersects with range line dividing R2W and R3W; thence south along the line dividing R2W and R3W to a point where said line intersects the township line dividing T4S and T5S; thence east along the township line dividing T4S and T5S to the point of intersection with the range line dividing R1W and R2W; thence southeasterly along the range line dividing R1W and R2W to the point of intersection with the west boundary of the Bosque Del Apache Grant; thence southerly along the west boundary of the Bosque Del Apache Grant to a point on the south boundary of the Bosque Del Apache Grant that intersects T7S, R1E; thence south along the west boundary of R1E to the point of intersection with the south boundary of Socorro County; thence west along the south boundary of Socorro County to the dividing line between Socorro and Catron Counties; thence north along county line dividing Socorro and Catron Counties to intersection with township line dividing T7S and T8S; thence west along line dividing T7S and T8S to a point where said line intersects the township line dividing R11W and R12W; thence north along line dividing R11W and R12W to a point where said line intersects the township line dividing T4S and T5S; thence west along line dividing T4S and T5S to a point where said line intersects R12W and R13W; thence north along range line dividing R12W and R13W to the intersection with township line dividing T3S and T4S; thence west along line dividing T3S and T4S to the New Mexico-Arizona State Line; thence north along the New Mexico-Arizona boundary to the point of beginning.

Section 9. Representation by Districts:

- District No. 1 shall elect (1) trustee to serve on the board.
- District No. 2 shall elect (1) trustee to serve on the board.
- District No. 3 shall elect (1) trustee to serve on the board.
- District No. 4 shall elect (1) trustee to serve on the board.
- District No. 5 shall elect (1) trustee to serve on the board.

ARTICLE VI Meetings of Trustees

Section 1. Regular Meetings. A regular meeting of the Board of Trustees shall be held the first Tuesday after the first day of the new year for the purpose of electing officers and such other business as may come before the Board. One regular meeting of the Board of Trustees shall also be held monthly at the time and place in Socorro, Socorro County, New Mexico as the Board of Trustees may provide by Resolution. Such regular monthly meetings may be held without notice other than resolution fixing the time and place.

This meeting shall be advertised in monthly bill mailings and local newspapers. A section of the meeting agenda shall be reserved for member participation during which member/owners may address the board without prior approval of the board.

Section 2. Special Meetings. Special meetings of the Board of Trustees may be called by the President or any three trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the trustees calling the meeting shall fix the time and place (which shall be in Socorro, Socorro County, New Mexico), for the holding of the meeting.

Section 3. Notice of Trustees' Special Meeting. Written notice of the time, place and purpose of any special meeting of the Board of Trustees shall be delivered to each trustee not less than five days previous thereto, either personally or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the President or trustees calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the trustee at his/her address as it appears on the records of the Cooperative with postage thereon prepaid.

Section 4. Quorum. A majority of the Board of Trustees shall constitute a quorum, provided, that if less than such majority of the trustees is present at said meeting, a majority of the trustees present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent trustee of the time and place of such adjourned meeting. The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees.

Section 5. Open Meeting to Members. The SEC voluntarily agrees to abide by the Open Meetings Act and Inspection of Public Records Act.

ARTICLE VII 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 of Trustees from time to time. The offices of secretary and of treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers shall be elected by ballot annually by and from the Board of Trustees at the meeting of the Board of Trustees held the first Tuesday after the first day of each year. If the election of officers shall not be held at such time, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his/her successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by Trustees. Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interests of the cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten per centum of the members, may request the removal of such officer.

The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board meeting at which 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 to the charges, and the person or persons bringing the charges against him/her shall have the same opportunity. In the event the board does not remove such officer, the question of his/her removal shall be considered and voted upon at the next meeting of the members.

Section 4. President. The President shall:

(a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members of the Board of Trustees, shall preside at all meetings of the members and the Board of Trustees;

(b) sign, with the Secretary, approval of the membership list, the issue of which shall have been authorized by the Board of Trustees or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these By-Laws to some other officer or agent of the Cooperative or shall be required by the law to be otherwise signed or executed.

(c) in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 5. Vice President. In the absence of the President, or in the event of his/her inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him/her by the Board of Trustees.

Section 6. Secretary. The Secretary shall perform all duties incident to the office of Secretary and such other duties as may be assigned him/her by the Board of Trustees.

Section 7. Treasurer. The Treasurer shall perform all duties incident to the office of Treasurer and such other duties as may be assigned him/her by the Board of Trustees.

Section 8. Manager. The Board of Trustees may appoint a manager who may be, but shall not be required to be a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the Board of Trustees may from time to time vest in him/her.

Section 9. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and such surety as the Board of Trustees shall determine. The Board of Trustees in its discretion may also require any other officer,

agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

Section 10. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the Board of Trustees subject to the provision of these By-Laws with respect to compensation for trustees and close relatives of trustees.

Section 11. Reports. The officers of the Cooperative shall submit at each annual meeting and district meeting of the members reports covering the business of the Cooperative for the previous year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year, and matters directly affecting or concerning individual districts shall be included in the report submitted at the respective district meeting.

ARTICLE VIII Non-Profit Corporation

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative, non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Cooperative operation shall be so conducted that all patrons, members and non-members alike, will through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members and non-members alike, as capital. The Cooperative is obligated to pay back credits to a capital account for each person 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 manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron and the Cooperative shall, within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses

incurred during the current or prior fiscal year, and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative and after all outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patrons' premises served by the Cooperative unless the Board of Trustees, acting under policies of general application, shall determine otherwise. In the event that a non-member patron shall select to become a member of the Cooperative, the capital credit to the account of such non-member patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such non-member patron.

Notwithstanding any other provision of the By-Laws, the Board of Trustees, at its discretion, shall have the power at any time upon the death or cessation of legal existence of any patron, if the legal representatives of his/her estate shall request in writing that the capital credited to any such patron be retired under the provisions of these By-Laws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Trustees, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

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

The Socorro Electric Cooperative Board of Trustees and Management will account for and notify members of their Patronage Capital (Capital Credits) annually (as required by the existing bylaws but disregarded until 7/2009). (Stated in existing bylaws)

Section 3. Limited Right to Assign. Any member or patron may assign all or any portion of his/her patronage capital earned or credited, or expected to be earned or credited in the future, to Socorro Electric Foundation, a charitable tax exempt trust, effective as of the date of assignment, subject in all cases to the Cooperative's prior lien for unpaid charges,

Section 4. Assignment by Failure to Provide Address. Notwithstanding any other By-Law provision, capital credits and capital credit payments, notice or delivery of which cannot be made for failure of a patron or former patron to claim the same in person, or to furnish an effective mailing address, for a period of two years after the Cooperative has mailed the same with sufficient postage to the last known address and to the last address provided to the Cooperative, or after the Cooperative has in good faith attempted to deliver such notice or payment, shall and constitute an irrevocable gift by the patron to Socorro Electric Foundation, a charitable tax exempt trust, of such credit or payment remaining after the Cooperative's prior claim for charges due has been satisfied.

Section 5. Charitable Trust. It shall be the duty of the Cooperative to take the necessary steps to establish said tax exempt charitable trust and to obtain approval of the Internal Revenue Service of the U.S. and the New Mexico Taxation and Revenue Department and to cause to be named as trustees the officers from time to time of the Cooperative, being the president, vice president, the secretary and treasurer, who are to serve as trustees without compensation.

Section 6. Priority of Cooperative's Claim for Accounts Due From Patron. Nothing contained in this Article shall be construed to deprive the Cooperative of its first lien against any capital credits to satisfy any unpaid electric bill of the patron; only that portion of a capital credit or payment which is not needed to satisfy an unpaid balance for electric service may be transferred to the Socorro Electric Foundation under the provisions hereof.

Section 7. Savings Clause. If any portion of this Article shall be held invalid or not effective to accomplish its purposes, the remaining portions of the Article shall not be affected thereby, and in no event shall this Article be construed to adversely affect the exemption of the Cooperative from liability for payment of income taxes on its revenues from the distribution of electricity to its patrons.

Section 8. Donations. That no co-op donations be awarded to adult or civic organizations.

ARTICLE IX Disposition of Property

The Cooperative may not sell, convey, lease, exchange, transfer or otherwise dispose of all or any substantial portion of its property unless such sale, conveyance, lease, exchange, transfer or other disposition is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative and unless the notice of such proposed sale, lease, or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, or any other provisions of law, the Board of Trustees of the Cooperative, without authorization by the members thereof;

shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging, assignment for security purposes or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Trustees shall determine, to secure any indebtedness of the Cooperative.

ARTICLE X Seal

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

ARTICLE XI Financial Transactions

Section 1. Contracts. Except as otherwise provided in these By-Laws, the Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all other 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 of Trustees.

Section 3. Deposits. All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Trustees may select.

Section 4. Change in Rates. Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

Section 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XII Miscellaneous

Section 1. Membership in Other Organizations. The Cooperative shall not become a member or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase, provided, however, that the Cooperative may upon the authorization of the Board of Trustees, purchase

stock in or become a member of any corporation organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the Administrator of RUS, of any other corporation for the purpose of acquiring electric facilities.

Section 2. Waiver of Notice. Any member or trustee may waive in writing any notice of a meeting required to be given by these By-Laws. The attendance of a member or trustee at any meeting shall constitute a waiver of notice of such meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

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

Section 4. Accounting System and Reports. The Board of Trustees shall cause to be established and maintained a complete accounting system, which among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The books of the Cooperative shall be subject to examination by selected consultants at the discretion of the Board of Trustees. The Board of Trustees 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 by a Certified Public Accountant.

Section 5. Enchantment Magazine. The Board of Trustees shall be empowered to subscribe to the Enchantment Magazine on behalf of and for circulation to the individual consumers of the Cooperative at an annual subscription rate which shall not be less than \$4.00 or more than \$8.00 and such subscription shall be paid for each member by the Cooperative from any funds accruing in favor of each member so as to reduce such funds in the same manner as would any other expense of the Cooperative.

ARTICLE XIII Amendments

Section 1. Alterations, Amendments, Repeals. These By-Laws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

Section 2. Proposal to Alter, Amend or Repeal. A proposal to alter, amend or repeal the By-Laws shall be incorporated in the notice of any regular or special meeting when such proposal is approved by a majority vote by the Board of Trustees; or, when

approved by a majority vote of the members at a regular or special meeting; or, upon petition signed by ten percent of the members of each of the districts of the Cooperative.

ARTICLE XIV Liability and Indemnification

Section 1. Trustees' Limited Liability. A trustee shall not be personally liable to the Cooperative or to its members for monetary damages for breach of fiduciary duty as a trustee unless:

- (a) the trustee has breached or failed to perform the duties of his/her office in compliance with Section 62-15-9.1 NMSA 1978; and
- (b) the breach or failure to perform constitutes willful misconduct or recklessness.

Section 2. Officers' and Trustees' Indemnification. Subject to Sections 4, 5 and 6 of this Article XIV, the Cooperative shall indemnify any person who is or was a trustee or an elected or appointed officer of the Cooperative and any person who, while a trustee or officer of the Cooperative is or was serving at the request of the Cooperative as a director, officer, partner, trustee, employee or agent of another cooperative or of a foreign or domestic corporation or non-profit corporation, partnership, joint venture, trust, unincorporated association, or other incorporated or unincorporated enterprise or employee benefit plan or trust, and who is made party to any action, suit or proceeding, civil or criminal, by reason of holding or having held such an office or position.

Section 3. Employees' and Agents' Indemnification. Subject to Sections 4, 5 and 6 of this Article XIV, the Board of Trustees may indemnify any person other than a trustee or an officer acting as such who has or had an employment or agency relationship with the Cooperative and who is made a party to any action, suit or proceeding, civil or criminal, by reason of service during the course of such relationship, including service at the request of the Cooperative as a director, officer, partner, trustee, employee or agent of another cooperative or of a foreign or domestic corporation or non-profit corporation, partnership, joint venture, trust, unincorporated association, other incorporated or unincorporated enterprise or employee benefit plan or trust.

Section 4. Indemnification Disqualification. The trustee, officer or other person shall not be indemnified if he/she shall be adjudged to be liable on the basis that he/she breached or failed to perform the duties of his/her office or position and the breach or failure to perform constitutes willful misconduct or recklessness. The trustee, officer or other person shall, further, not be indemnified in respect to any proceeding charging improper personal benefit to him/her, whether or not involving action in his/her official capacity, in which he/she shall have been adjudged to be liable on the basis that personal benefit was improperly received. There shall be no indemnification (of a person other than a trustee) unless the Board of Trustees finds that the indemnitee:

- (a) acted in good faith;
- (b) reasonably believed that he/she was acting in the course of his/her office, employment or agency and in a manner to be in or at least not opposed to the best interests of the Cooperative; and
- (c) in the case of any criminal proceeding, had no reasonable cause to believe the person's conduct was unlawful.

Termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, be determinative that the person is disqualified from receiving indemnification.

Section 5. Indemnification Amount. Indemnification shall, pursuant to Section 2, may be pursuant to Section 3, be made against judgments, penalties, fines, settlements and compromises, cost and expenses, including attorney's fees, reasonably incurred by or on behalf of the indemnitee in connection with the defense of such proceeding. Reasonable expenses incurred by a trustee, officer, or other person who is a party to a proceeding may be paid or reimbursed by the Cooperative in advance of the final disposition of such proceeding if:

- a. such person furnished the Cooperative a written affirmation of his/her good faith that he/she is not disqualified from receiving indemnification under Section 4 of the Article XIV;
- b. such person furnished the Cooperative a written undertaking by or on behalf of the person to repay such amount if it shall ultimately be determined that he/she is disqualified or, in the case of a person other than a trustee or an officer as such, not fully indemnified in the Board of Trustees' discretion; and
- c. a determination is made that the facts then known to those making the determination would not preclude indemnification.

Section 6. Indemnification Procedures. No indemnification Sections 2 and 3 shall be made unless authorized in the specific case after determination has been made that indemnification is permissible in accordance with the Rural Electric Cooperative Act and this Article XIV. Such determination shall be made:

- (a) by the Board of Trustees by a majority vote of a quorum of trustees not at the time parties to the proceeding;
- (b) if such a quorum cannot be attained, by a majority vote of a committee of the Board of Trustees duly designated to act in the matter by a majority vote of the full Board of Trustees in which designated trustees who are parties may participate and consisting solely of two or more trustees not at the time parties to the proceeding;
- (c) by special legal counsel, selected by the Board of Trustees or a committee thereof by vote as set forth in paragraph (a) or (b) of this Section 6, or, if the requisite quorum of the full Board of Trustees cannot be obtained therefore and such committee cannot be established, by a majority vote of the full Board of Trustees, in which selection trustees who are parties may participate; or
- (d) pursuant to a resolution of a majority of the members present and voting at any annual or special meeting.

Authorization of indemnification and determination as to the amount shall be made in the same manner as the permissibility determination, except that if the permissibility determination is made by special legal counsel, authorization and amount determination shall be made in a manner specified in subsection (c) of this Section 6 for the selection of such counsel.

Section 7. Employee Benefit Plans. For the purposes of this Article XIV, the Cooperative shall be deemed to have requested a person to serve as director, trustee, employee or agent of an employee benefit plan or trust whenever the performance of his/her duties to the Cooperative also imposed duties on him/her or otherwise involved his/her services to the plan or trust of the participants or beneficiaries of the plan or trust; excise taxes assessed on him/her with respect to an employee benefit plan or trust pursuant to applicable law shall be deemed "fines" and action taken or omitted with respect to an employee benefit plan or trust in the performance of duties for a purpose reasonably believed to be in the interests of the Cooperative and to be neither willful misconduct or reckless.

Section 8. Insurance and Similar Protection. The Board of Trustees may purchase and maintain insurance or furnish similar protection, including but not limited to providing a trust fund, a letter of credit or self-insurance, on behalf of any person who is or was a trustee, officer, employee or agent of the Cooperative or, who, while a trustee, officer, employee or agent of the Cooperative, is or was serving at the request of the Cooperative as a director, officer, partner, trustee, employee or agent of another cooperative or a foreign or domestic corporation, partnership, joint venture, trust, unincorporated association, or incorporated or unincorporated enterprise or employee benefit plan or trust, against any liability asserted against and incurred by the person in such capacity or arising out of that person's status as such, whether or not the Cooperative could indemnify the person against such liability under the provision of this Article XIV.

Section 9. Non-Exclusive. The indemnification authorized by this Article XIV shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under an agreement approved by the Board of Trustees, a resolution of the members or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be a trustee, officer, employee or agent and inure to the benefit of his/her personal representatives and heirs.

RESOLUTIONS

RESOLUTION FIXING COMPENSATION FOR TRUSTEES

BE IT RESOLVED, that we, the members of The Socorro Electric Cooperative, Inc., in this Annual Meeting duly assembled, and in accord with the provisions of Section 7 of Article V of the By-Laws of this Cooperative, hereby fix the sum of \$15.00 plus Insurance as the compensation to be paid to each member of the Board of Trustees for each day or portion thereof spent on Cooperative business, such as attendance at Board meetings and meetings, conferences, and training programs or performing committee assignments, when authorized by the Board.

6/10/67