

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 the office of trustee to be filled: in the voter's district. 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.

G. Access to Voter Roles: A declared qualified candidate may obtain a list of the district members eligible to vote and their addresses for the sole purpose of campaigning for the position of trustee. The candidate shall sign an affidavit stating that the list shall not be used for any other purpose nor disclosed to persons not directly responsible for the conduct of the candidate's campaign. The list and any copies thereof, whether physical or electronic, shall be returned to the Cooperative or destroyed following the election and the candidate shall file an affidavit with the Cooperative attesting to such return and/or destruction.

Section 5. Removal of Trustees.

A. Removal by Members. 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 cent of the members of the trustee's district, and 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.

B. Censure, Discipline or Removal by Trustees. A majority of trustees may request the censure or discipline of a trustee for violation or failure of the trustee to perform the duties of his office as set forth in the Rural Electric Cooperative Act or these Bylaws, for violation of the trustee's fiduciary obligations to the Cooperative or for conduct inimical to the orderly conduct of meetings or the business of the Board or Cooperative. In addition, a majority of the trustees may request the removal of a trustee for violation of the trustee's fiduciary obligations to the Cooperative. Such trustee shall be informed in writing of the charges at least ten days prior to the meeting of the

trustees 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 censure or removal of such trustee and/or the discipline to be imposed on the trustee shall be considered and rendered by majority vote at the meeting of the trustees and any vacancy created by a removal shall be filled by a vote of the members of the removed trustee's district called for such purpose.

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 one hundred eighty (180) 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 from the date of such election.

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~~ by policy adopted by the board of trustees as follows:

- a. Compensation for attendance at each meeting of the board of trustees and of a committee thereof and for the performance of other cooperative business when such has had prior approval of the board of trustees.
- b. Attendance at meetings of rural electric cooperative state, regional and national associations and the G&T association.
- c. Certified Credentialed Director (CCD) and Board Leadership Certificate (BLC) training programs.
- d. As voting delegates and representatives to meetings and committee meetings for state and national rural electric associations and other organizations which the Cooperative holds a membership.
- e. Travel and lodging expenses shall be reimbursed to all trustees attending meetings for which travel and lodging is authorized by the board of trustees. Meal allowances will not exceed allowable federal IRS rates.
- f. Incidental reasonable expenses actually and necessarily incurred by trustees in the conduct of the business of the Cooperative if authorized in advance by the board of trustees and with appropriate documentation.
- g. For group insurance offered to Cooperative employees if the insurance plan permits their participation. The cost of such participation shall be at the trustees' expense, but may be included in incidental expenses provided above.

Compensation for travel, lodging, per diem and registration fees for CCD and BLC training programs and board elected voting delegates and representatives will not affect trustee per diem limitations.

If authorized by the Board, trustee may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative or for some of these expenses.

No trustee shall receive compensation for serving the Cooperative in any other capacity, and no 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 trustees 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 payments and reimbursements shall be evidenced by statements or receipts presented within a reasonable time after expenses are incurred in accordance with procedures adopted by Board Policy and generally accepted accounting principles.

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 and at least every ten (10) years upon release of the federal diennial census, 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 such action become official until ratified by the members at and during the annual meeting. Districts of the Cooperative are as follows:

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~~ Regular meetings of the Board of Trustees 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/Notice. 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~~ three (3) 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 3. Emergency Meetings/Notice. Emergency meetings of the Board of Trustees may be called by the President or a majority of the trustees only under unforeseen circumstances that demand immediate action to protect the health, safety and property of citizens or to protect the Cooperative from substantial financial loss. An emergency meeting may be called upon twenty-four (24) hours notice unless threat of personal injury or property damage requires less notice.

ARTICLE VIII Non-Profit Corporation

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 tax exempt 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 the Socorro Electric Foundation 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.

ARTICLE XIII Amendments

Section 1. Alterations, Amendments, Repeals. These By-Laws may be altered, amended or repealed by the members at any regular annual or special meeting of members called for that purpose, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal and provided the proposal to alter, amend or repeal the Bylaws was adopted in the manner provided in this Article XIII.

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 annual or special meeting of members called for that purpose 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~~ prior regular or special meeting of members called for the purpose of considering such alteration, amendment or repeal; or, upon petition signed by ten percent of the members of the Cooperative.

A proposal adopted at an annual or special meeting of members or requested by petition of members shall be reviewed by the Board and counsel to the Cooperative to determine whether the proposed alteration, amendment or repeal violates or is inconsistent with the Act or other Bylaws. If the Board or counsel determines that the proposed alteration, amendment or repeal violates or is inconsistent with the Act, the Board, on advice of counsel, may amend the proposal to cure such violation or inconsistency, or if that is not possible without changing the purpose of the proposal, the proposal shall not be presented to the members for a vote. If the proposal is inconsistent with an existing Bylaw, the Board, on advice of counsel may amend the proposal to cure such inconsistency, including amending the Bylaw with which the proposal is inconsistent.

Section 3. Voting for Alterations, Amendments or Repeals. Voting for alterations, amendments or repeals shall occur by ballot, including mail in ballot, in accordance with Article III, Section 15 of these Bylaws. The ballot shall contain a copy

of the alteration or amendment or repeal as adopted and approved in accordance with Section 2 of this Article XIII above.

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