

CONSULTING AGREEMENT

This Consulting Agreement ("Agreement") is entered into between Socorro Electric Cooperative, Inc. (hereinafter referred to as "Socorro"), a New Mexico electric cooperative, and Smith and Christensen, LLP, ("hereinafter referred to as "Firm") whose principal place of business is 5970 Fairview Road, Suite 126, Charlotte, NC, 28210.

WHEREAS, Socorro is a private, not-for-profit, independent electric utility cooperative whose primary purpose is to provide electricity within its New Mexico service territory; and

WHEREAS, Firm, is a law firm concentrating on the provision of legal and consulting services to rural electric cooperatives throughout the United States;

NOW, THEREFORE, and in consideration as outlined below, Firm agrees to provide consulting services and recommendations to Socorro as stated below. Socorro and Firm mutually agree and covenant as follows:

A. Services to be Performed.

1. Firm is to review Socorro's current written and unwritten policies, practices, and procedures, including those of Socorro's Board. This review will include but not be limited to issues surrounding Socorro's management practices, Board governance, Board compensation, reimbursement of Board Members' expenses, Board benefits, and such other issues as may be raised by the members, employees or Trustees during the investigatory phase of the audit.

2. As an integral component of this review, Socorro will provide Firm with access to all written information related to Socorro's membership, finances, Board of Trustees, and personnel. Socorro's management team will also make themselves available to Firm for consultation and to respond to any questions Firm might have.

3. Firm will require a means by which its membership, Board members, and employees may communicate confidentially with Firm about any issues of concern. Socorro will provide a link on its website (<http://www.socorroelectric.com>) for interested persons to communicate confidentially with Firm via e-mail.

4. Upon completion of its review, Firm will submit to Socorro's General Counsel and its Board a written analysis and set of recommendations ("Report") addressing the issues listed above as well as any other issues or concerns that Firm develops during its review. Mr. Christensen will personally deliver the Report to the Board during the course of special meeting of the Board.

5. Notwithstanding the forgoing, Firm shall be entitled to withdraw from the engagement if Firm determines in its sole discretion that it is not receiving complete cooperation with respect to its review. In such an event, Firm shall nonetheless be entitled to full compensation for its efforts preceding the withdrawal.

B. Independent Contractor Consultant.

Firm shall furnish these services as an Independent Contractor Consultant and not as an employee of Socorro. Firm shall not be considered an agent, representative, associate, assignee, or employee of Socorro at any time, for any purpose or reason whatsoever.

C. Terms of Payment.

Firm will be paid the usual and customary rate of \$350.00 per hour for time on the engagement, plus expenses, except that time incurred by the Firm's senior attorney will be paid at \$395.00 per hour. Firm will require an initial retainer of _____ prior to start of the consultation. Firm will promptly reimburse any amount that remains unused. Socorro agrees to promptly pay any amount of the invoice that exceeds the amount held in trust.

D. Terms of Agreement.

This Agreement shall begin on the _____ day of _____ 2014, and continue through completion of the engagement. Firm anticipates but cannot and therefore does not guarantee that the engagement will be completed within 120 days. In any event, Firm will at all times use its best efforts to provide efficient and cost-effective services.

E. Attorney Work Product.

Socorro and Firm agree that Firm's services are not being conducted in the context of an attorney-client relationship between the Firm, Socorro's Board of Trustees, or Socorro's manager, employees or members. Firm's Report will be made available to the public. However, Firm's notes, drafts, and notes of interviews will be considered as attorney work product to preserve the confidentiality of Firm's interviews as well as Firm's thought processes.

F. Severability.

Each provision of this Agreement is separate from the whole. If any provision, paragraph, or subparagraph of this Agreement is adjudged by any court of law to be void or unenforceable in whole or in part, the adjudication shall not be deemed to affect the validity of the remainder of the Agreement, including any other provision, paragraph, or subparagraph. Each provision of this Agreement is declared to be severable from any other provisions, paragraph, or subparagraph, and constitutes a separate and distinct covenant.

G. Complete Understanding.

This Agreement constitutes the entire Agreement between the parties and contains all of the agreements between them with respect to this subject matter. This Agreement supersedes any and all other agreements, whether oral or in writing, between the parties with respect to this subject matter.

H. Assignment and Staffing.

Firm will assign attorney Aaron M. Christensen as the primary attorney on the engagement. Mr. Christensen will have primary responsibility for services engaged under this Agreement. However, Mr. Christensen may exercise his discretion in assigning paralegals and

legal assistants to the project, for which the firm will be reimbursed its normal and customary rates.

I. Choice of Law.

Any dispute under this Agreement shall be decided in accordance with the laws of the State of New Mexico.

IN WITNESS WHEREOF, each party sets its hand and seal on this ____ day of _____ 2014.

SOCORRO ELECTRIC COOPERATIVE

SMITH AND CHRISTENSEN, LLP

By: _____

Aaron M. Christensen, Esq.

Title: _____

Partner

Witness

Witness

Witness

Witness