

MORA - SAN MIGUEL ELECTRIC COOPERATIVE, INC.
EQUITY PLAN
BOARD POLICY NO 408
Supersedes policy # 44

SUBJECT: Equity Plan

OBJECTIVE: To establish a policy for the maintenance of an equity level as required by Rural Utility Services (RUS)

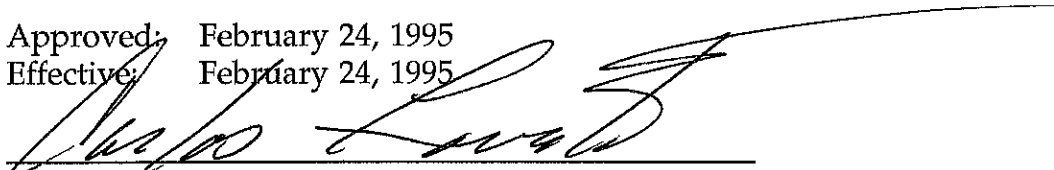
POLICY:

It shall be the policy of the Board of Trustees ("Board") to attain a forty percent (40%) equity level as recommended by RUS. When an equity level of forty percent (40%) is attained, the Board is desirous to establish a payoff of Capital Credit refunds on a 15 year cycle. These will be paid as provided in the Bylaws of the Cooperative.

However, if the general fund level is such, the Board may at their discretion allow twenty five percent (25%) of the prior year margins to be paid to all consumers.

The Board shall be responsible for the enforcement of this Policy.

Approved: February 24, 1995
Effective: February 24, 1995



Board Secretary