

Articles of Incorporation



Lane Electric Cooperative, Inc.

Articles of Incorporation

Pursuant to the provisions of the Oregon Cooperative Corporation Act, the undersigned cooperative ("Cooperative") adopts the following Restated Articles of Incorporation. Said restated Articles replace and supersede the Cooperative's current articles, including all amendments thereto.

ARTICLE I:

The name of the corporation is Lane Electric Cooperative, Inc. and its duration shall be perpetual.

ARTICLE II:

The object or objects and the purpose or purposes for which the Cooperative is formed are:

- (a)** To generate, manufacture, purchase, acquire and accumulate electric energy for its members only and to transmit, distribute, furnish, sell and dispose of such electric energy to its members only, and to contract, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or system necessary, convenient or useful for carrying out and accomplishing any or all the foregoing purposes;
- (b)** To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Cooperative;
- (c)** To purchase, receive, lease, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease, exchange, mortgage, pledge or otherwise dispose of any and all real and personal property or any interest therein necessary, useful or appropriate to enable the Cooperative to accomplish any or all of its purposes;
- (d)** To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for monies borrowed or in payment for property acquired, or for any of the other objects or purposes of the

Cooperative; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Cooperative, wheresoever situated, acquired or to be acquired; **(e)** To do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient, to accomplish any or all of the foregoing purposes or as may be permitted by the Act under which the Cooperative is formed.

ARTICLE III

Section One: The Cooperative is formed without any purpose of pecuniary profit to itself and shall have no capital stock.

Section Two: Any person, firm, corporation or body politic upon acceptance by the Board of Directors or the members as in the next section provided, may become a member in the Cooperative by:

(a) Paying the membership fee as may be set from time to time by the Board of Directors;

(b) Agreeing to purchase electric energy from the Cooperative as hereinafter specified; and

(c) Agreeing to comply with and be bound by the Articles of Incorporation and the Bylaws of the Cooperative, and any amendments thereto, and such rules and regulation, as may be from time to time adopted by the Board of Directors.

Section Three: No person, firm, corporation or body politic shall be admitted as a member unless and until he/she, they or it has been accepted for membership by the Board of Directors; however, in the event that the application of any person, firm, corporation or body politic is rejected by the Board of Directors, such rejected applicant may appeal to the members of the Cooperative and if the members of the Cooperative vote in favor of such admission, the applicant may become a member. The Bylaws shall provide the manner and method to be used in making and perfecting such an appeal.

Section Four: No person, firm, corporation or body politic shall own more than one (1) membership in the Cooperative, and except for a husband and wife, or domestic partners, no persons, firms, corporations or bodies politic shall jointly own one membership; a husband and wife or domestic partners may jointly become a member and the application for joint membership shall be accepted in the same manner and shall be subject to the same requirements as any other application.

ARTICLE IV:

Section One: The Board of the Directors of the Cooperative may, by the affirmative vote of not less than two thirds of the members thereof, expel any member who shall have violated or refused to comply with any provisions of the Articles of Incorporation or Bylaws of the Cooperative or any rules or regulations adopted by the Board of Directors of the Cooperative; however, a member so expelled may be reinstated as a member by vote of the members at any annual or special meeting of the members.

Section Two: Any member may withdraw from membership upon payment in full of debts of such member to the Cooperative and upon compliance with such terms and conditions as the Board of Directors may prescribe.

Section Three: membership may be transferred by a member to himself or herself and his or her spouse or domestic partner, as the case may be, upon written request of such member and compliance by such husband and wife, or domestic partners, jointly with the provisions of this Article.

When a membership is held jointly by a husband and wife or domestic partners, upon the death of either joint member such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to the survivor; provided, however, that the estate of the deceased joint member shall not be released from any membership debts or liabilities to the Cooperative.

ARTICLE V:

Section One: Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote of the members. In those cases where a membership is owned by a firm, corporation or body politic, only one representative of such member shall be permitted to vote, and that representative shall be designated and made known to the Secretary of the Cooperative before any vote is taken.

Section Two: All questions which shall be presented to the members of the Cooperative shall, unless provided otherwise by law, the Articles of Incorporation or Bylaws, be decided by a majority vote of all votes cast whether by person or by mail. The manner and method of all voting shall be as provided in the Bylaws.

ARTICLE VI:

Section One: Except as limited elsewhere in these Articles or in the Bylaws of the Cooperative, the business and affairs of the Cooperative shall be vested in and managed and controlled by a board of directors.

Section Two:

(a) The officers of the Cooperative shall be a president, vice president, treasurer and secretary; however, the offices of secretary and treasurer may be held by the same person.

(b) The officers of the Cooperative shall be elected, by ballot, by and from the members of the Board of Directors at such times and for such terms as shall be provided in the Bylaws of the Cooperative.

(c) There shall be seven (7) directors of the Cooperative. Directors shall serve three (3) year terms. Expiring director terms shall be elected at the annual meeting of the members; such directors to be elected by and from the members of the Cooperative to hold office until the expiration of their term or until their successor shall have been elected and shall have qualified.

Section Three: Directors of the Cooperative may be removed from their office in the manner provided in the Bylaws. A vacancy so created shall be filled in the manner provided in the Bylaws.

Section Four: The Bylaws may provide for division of the territory served by the Cooperative into voting districts, and for the election of directors by such voting districts, or by election at large.

ARTICLE VII:

The Bylaws of the Cooperative may define and fix other duties and responsibilities of the members and prescribe other terms and conditions upon which members shall be admitted to and retain membership in the Cooperative, make provisions for annual and special meetings of the members and directors, provide for notices of such meetings, provide for methods of voting, quorum requirements and other matters relating to the internal organization and management of the Cooperative, provided that such provisions shall not be inconsistent with law or the Articles of Incorporation.

ARTICLE VIII:

The operations of the Cooperative shall be carried on in the County of Lane, State of Oregon, and in such other counties in the State of Oregon and in the United States as the Board of Directors may from time to time decide.

ARTICLE IX:

Section One: Except as expressly limited or modified by law, each member, as soon as electric energy is available, shall purchase from the Cooperative all electric energy used on the premises referred to in the application of such member for

membership, and shall pay therefor at rates which shall from time to time be fixed by resolution of the Board of Directors; provided, however, that the electric energy which the Cooperative shall furnish to any member may be limited to such an amount as the Board of Directors shall from time to time determine and that each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the Board of Directors from time to time, regardless of the amount of electric energy consumed. Each member shall also pay all obligations which may from time to time become due and payable by such members to the Cooperative as and when the same shall become due and payable.

Section Two: Except for debts lawfully contracted between him/her and the Cooperative, no member shall be liable for and no property of a member shall be subject to the debts of the Cooperative.

ARTICLE X:

The Cooperative may amend, alter, change or repeal any provisions contained in these Articles of Incorporation in the manner now or hereafter prescribed by law, these Articles or the Bylaws.

ARTICLE XI

Section One: Supersedes Inconsistent Articles and Bylaws. The provisions of this Article XI shall supersede all other inconsistent provisions of these Articles and the Bylaws of the Cooperative and shall govern the interpretation and application of all matters within the scope of this Article XI.

Section Two: Scope: The provisions of this Article XI shall apply whenever any of the actions or transactions set forth in subparagraphs (a), (b), (c), (d) or (e) are proposed or considered by the Cooperative:

- (a)** A sale, lease, exchange or other disposition of all, or substantially all, the property and assets of the Cooperative to or with a domestic or foreign business corporation.
- (b)** A voluntary dissolution of the Cooperative;
- (c)** A merger of the Cooperative with or consolidation into a domestic or foreign business corporation;
- (d)** An amendment to the Cooperative's Articles of Incorporation which would convert the Cooperative into a domestic business corporation;
- (e)** The amendment or repeal of any of the terms, provisions or conditions of this Article XI.

Section Three; Requirements:

(a) An affirmative two-thirds vote of the directors is required for the Board of Directors to take or approve any action within the scope of Section Two of this Article XI.

(b) If the Cooperative or its directors submit to the members for a vote at any annual or special meeting any resolution or proposal within the scope of this Article XI, each member shall be given a prior written notice containing the date and full text of the resolution or proposal and an objective explanation of the proposed action. No such vote shall occur prior to 180 days from the date notice is delivered.

(c) Ten percent (10%) of the members present in person shall constitute a quorum at any annual or special meeting at which the members will vote on any matter within the scope of Section Two of this Article XI.

(d) The affirmative vote of two-thirds of all members is required to approve any action within the scope of Section Two of this Article XI.

Section Four; Severability: In the event any provision, condition or part thereof of this Article XI shall be finally determined by a court of competent jurisdiction to be invalid, void or voidable, the remaining provisions or conditions shall be and remain in full force and effect.

ARTICLE XII

Section One: Supersedes inconsistent Articles and Bylaws. The provisions of this Article XII shall supersede all other inconsistent provisions of the Articles and Bylaws of the Cooperative and shall govern the interpretation and application of all matters within the scope of this

Section Two: No member's vote may be cast by proxy on any matter concerning the Cooperative.

Section Three: The Cooperative may alter, amend or repeal this Article XII in the manner provided by law, provided that the affirmative vote of two-thirds of all members shall be required to alter, amend or repeal all or part of this Article XII.