

SUMMARY OF REVISIONS TO MEC ARTICLES OF INCORPORATION

Midstate Electric (MEC) Board of Directors, upon conducting their due diligence, reviewed Midstate's Articles of Incorporation and Bylaws, and discovered that the version on file with the State of Oregon was from 1998. After consulting corporate counsel, the Board of Directors have updated this document into a version that better meets state requirements and ensures Midstate's governing framework is consistent, legally sound, and aligned with the best interests of the cooperative and its members. These updated articles, which are being presented to the membership for a vote, encompass all the original information from the document into a concise and streamlined version which will be filed with the State of Oregon as required.

Original Articles of Incorporation dated 1998 are available to view on our website, www.midstateelectric.coop.

The revisions to the MEC Articles of Incorporation are made to achieve three primary purposes:

1. The deletion of provisions that reflect business practices no longer offered by MEC. For example, the revisions delete references to MEC selling and servicing household electric appliances and plumbing equipment.
2. The deletion of provisions that are currently redundant with MEC's Bylaw provisions.
3. To clarify the Board's authority to appoint new Cooperative officers, such as a Chief Executive Officer and Chief Financial Officer, and to revise the scope of authority of the President, Vice President and Treasurer.

MIDSTATE ELECTRIC COOPERATIVE, INC.
REVISED ARTICLES OF INCORPORATION

ARTICLE I

The name of the Cooperative is MIDSTATE ELECTRIC COOPERATIVE, INC.

ARTICLE II

The duration of the Cooperative shall be perpetual.

ARTICLE III

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

Section 1: To operate on a cooperative basis for the mutual benefit of its members and to generate, purchase and acquire electric energy and to transmit, distribute, furnish, sell and dispose of such electric energy to its members.

Section 2: To do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all power, as may be necessary or convenient to accomplish any or all of the foregoing purposes or as may be permitted by the Oregon Cooperative Corporation Act under which the Cooperative is formed.

ARTICLE IV

Section 1: The corporation is formed without any purpose of pecuniary profit to itself and shall have no capital stock. The membership fee shall be five dollars unless a different amount shall be established by the board of directors and approved by the membership from time to time.

Section 2: Membership in the Cooperative shall be nontransferable, except as provided in the Bylaws.

ARTICLE V

Section 1: In the event upon dissolution, there remains any residue after payment in full of all indebtedness of the Cooperative, including that evidenced by all patronage capital credits, such residue shall be distributed, insofar as possible, among those who have been patrons of the Cooperative in proportion to their patronage of the Cooperative.

ARTICLE VI

Section 1: The number of directors of the Cooperative shall be nine (9).

ARTICLE VII

Section 1: The Cooperative shall hold an annual membership meeting where members may vote upon the election of directors and other matters that may become before the membership. Except as required otherwise in these Articles of Incorporation or by law, as long as the total number of members does not exceed five hundred (500), at least ten percent (10%) of the total number of members present in person shall constitute a quorum for the transaction of business at all meetings of the members. In case the total number of members exceeds five hundred (500), then at least fifty members present in person shall constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, the majority of those present may adjourn the meeting from time to time without further notice.

Section 2: Each member or joint membership shall have one vote at membership meetings.

Section 3: The business and affairs of the Cooperative shall be vested in and managed and controlled under the direction of the board of directors and the officers of the corporation shall be a president, a vice-president, a treasurer, a secretary and other officers the board of directors may elect in accord with applicable law.

ARTICLE VIII

Section 1. The provisions of this article shall supersede all other inconsistent provisions of the articles or bylaws of the corporation and shall govern the interpretation and application of all matters within the scope of this article.

Section 2. Scope

The provisions of this article shall apply whenever any of the following transactions are proposed or considered by the corporation:

(a) a sale, lease, exchange, or other dispositions of all, or substantially all, of the property and assets of the corporation to any person or firm or with a domestic or foreign for-profit business corporation; or

(b) a voluntary dissolution of the corporation; or

(c) a merger of the corporation with or consolidation into a domestic or foreign for-profit business corporation; or

(d) conversion of the corporation into a for-profit business corporation.

Section 3. Requirements

(a) Any action within the scope of Section 2 of this article shall require the affirmative vote of two-thirds (2/3) of the directors of the corporation.

(b) If the board of directors shall resolve to submit to the members for a vote at any annual or special meeting any proposal or recommendation within the scope of Section 2 of this article, no meeting of the members shall be called or held for the purpose of voting on any such proposal or recommendation for at least one hundred eighty days (180) after the date of such proposal or recommendation. The purpose of this waiting period is to permit the corporation's membership to become informed about this issue. As soon as practicable, after the date the board adopts any proposal or recommendation referred to herein, the board shall give written notice to each member of the following:

(1) The full text and date of the board's resolution; and

(2) An objective explanation of the proposed action which is the subject of the resolution.

(c) Ten percent (10%) of the members present in person shall be necessary for a quorum at and regular or special meeting at which the members will vote on any matter within the scope of Section 2 of this article.

(d) No member's vote may be cast by proxy on any matter within the scope of Section 2 of this article.

Section 4. Severability

In the event of any provision, condition or part of this article shall be finally determined by a court of competent jurisdiction to be invalid, void or voidable, the remaining provisions and conditions shall be and remain in full force and effect.

ARTICLE IX

These articles may be amended by a majority vote of the corporation's members present at any regular or special board meeting of the members where quorum is established, except that the provisions of Article VIII of these Articles of Incorporation may only be amended by two-thirds (2/3) of the corporation's membership at a meeting where a quorum of at least ten percent (10%) of the corporation's membership is present.