

ARTICLES OF INCORPORATION OF TRI-COUNTY ELECTRIC COOPERATIVE

A NON-PROFIT MICHIGAN CORPORATION

ARTICLE I

The name of this corporation is Tri-County Electric Cooperative.

ARTICLE II

The purpose or purposes of this corporation are as follows:

The conduct of the business of the corporation shall be upon the mutual plan and the general nature of its business and the purposes for which it is formed are:

A. To generate, manufacture, purchase, acquire and accumulate electric energy for its members and to transmit, distribute, furnish, sell, and dispose of such electric energy to its members only, and to construct, erect, purchase, lease as lessee and in any manner, acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of 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 franchise, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the corporation.

C. To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease as lessor, exchange, mortgage, pledge real or personal property or any interest therein necessary, useful or appropriate to enable the corporation to accomplish any or all of its purposes;

D. To assist its members and non-member patrons, to wire their premises and install therein electrical, and plumbing, and telecommunications appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and, in connection therewith and for such purposes, to purchase, acquire, lease, sell, distribute, install and repair electrical, and plumbing, and telecommunications appliances, fixtures, machinery, supplies, apparatus, systems, programs, programming, and equipment of any and all kinds and character, (including without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and to receive, acquire, endorse, pledge, guarantee, hypothecate, transfer or otherwise dispose of notes and other evidences of indebtedness and all security therefore;

E. To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for money borrowed or in payment for property acquired, or for any of the other objects or purposes of the corporation; to secure the payments 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 corporation, wheresoever situated, acquired or to be acquired;

F. To do and perform, either for itself or its members and non-member patrons, 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 corporation is formed and the non profit corporation act, provided, however, that the corporation shall not be operated for pecuniary profit to the corporation or its members.

ARTICLE III

The address and mailing address of the corporation is 7973 East Grand River Avenue, P. O. Box 379, Portland, Michigan 48875.

ARTICLE IV

Said corporation is organized upon a non-stock basis. Real property – none, personal property – none. Said corporation is to be financed under the following general plan.

Membership to be paid at a nominal fee and loans to be obtained from the Federal government, or any agency or instrumentality thereof, or from a national financing institution, organized on a cooperative plan for the purpose of financing its members, programs, projects and undertakings, in which the corporation holds membership, or from private financial institutions.

ARTICLE V

The names and places of residence, or business, of each of the incorporators are as follows:

1. William V. Clegg, Eaton Rapids, Michigan
2. Lawton Heeney, Stockbridge, Michigan
3. D. L. Cady, Mason, Michigan
4. J. J. Terry, Onondaga, Michigan
5. James E. Houston, Eaton Rapids, Michigan

ARTICLE VI

The names of the first board of directors (or trustees) are as follows:

1. William V. Clegg, Eaton Rapids, Michigan
2. Lawton Heeney, Stockbridge, Michigan
3. D. L. Cady, Mason, Michigan
4. J. J. Terry, Onondaga, Michigan
5. James E. Houston, Eaton Rapids, Michigan

ARTICLE VII

The term of this corporation shall be perpetual.

ARTICLE VIII

Qualifications and Obligations of Members: Any person, in addition to the incorporators of the corporation, may become a member in the corporation by: (a) paying the membership fee specified in the By-Laws; (b) agreeing to purchase from the corporation monthly, as soon as electric energy shall

become available, not less than the minimum amount of electric energy which shall from time to time be determined by resolution of the Board of Directors; (c) agreeing to comply with and be bound by the Articles of Incorporation and By-Laws of the corporation and any amendments thereof and such rules and regulations as may from time to time be adopted by the Board of Directors of the corporation; provided, however, that no person except the incorporators of the corporation, or any person accepted for membership by the incorporators of members at any meeting thereof, shall become a member in the corporation unless and until he has been accepted for membership by the affirmative vote of at least two-thirds (2/3) of the members of the Board of Directors of the corporation.

ARTICLE IX

No director of the corporation shall be personally liable to the corporation or its members for monetary damages nor breach of fiduciary duty as a director, provided that the foregoing shall not eliminate or limit the liability of a director for any of the following:

1. A breach of the director's duty of loyalty to the corporation or its members;
2. Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;
3. A violation of section 551(1) of the Michigan Nonprofit Corporation Act, as the same exists or hereafter may be amended;
4. A transaction from which the director derived an improper personal benefit;
5. An act or omission occurring before the adoption of this Article;
6. An act or omission that is grossly negligent.

If the Michigan Nonprofit Corporation Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability contained herein, shall be eliminated or limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act as so amended. No amendment or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to the effective date of any such amendment or repeal.

ARTICLE X

Any plan of merger or consolidation of the cooperative must be preceded by the board of the cooperative approving such a plan by a unanimous vote. Such plan must be provided in writing to all members of the cooperative, detailing all of the provisions of the plan, and as otherwise may be required by law. A minimum of twenty percent (20%) of the membership either present and voting in person, or by mail ballot, must participate for the balloting to be considered valid, and a two-thirds (2/3) majority of those voting in favor of the merger or consolidation is required to approve the plan at a general or special member meeting. For the purpose of such a vote, delegate voting will not be allowed, and proxy voting will not be allowed. Mail ballot voting shall be conducted in a reasonable manner as set forth by the board of directors or otherwise as permitted by law.

As last amended August 16, 2003