

Corportate Docs

Articles of Incorporation

10-coop

January

1998

ATTACHMENT "A"

C&S 502 (Rev. 8/96)

<b>MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU</b>											
Date Received		(FOR BUREAU USE ONLY)									
<table border="1" style="width: 100%;"> <tr> <td colspan="3">Name</td> </tr> <tr> <td colspan="3">Address</td> </tr> <tr> <td>City</td> <td>State</td> <td>Zip Code</td> </tr> </table>			Name			Address			City	State	Zip Code
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**ARTICLES OF INCORPORATION  
For Use by Domestic Nonprofit Corporations**

**OF**

**MIDWEST ENERGY COOPERATIVE**

Pursuant to the provisions of the Consumer Cooperative Act, as amended, being MCL 450.3100 et seq., and the Michigan Nonprofit Corporation Act of 1982, as amended, being MCL 450.2101 et seq. (the "Acts") the undersigned corporation executes the following Articles:

**ARTICLE I**

The name of the corporation is: Midwest Energy Cooperative.

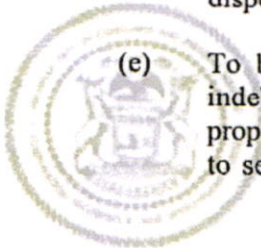


## ARTICLE II

The purpose or purposes of the this Corporation are as follows:

1. The Corporation is organized exclusively for the purposes set forth in Section 501(c)(12) of the Internal Revenue Code of 1986, or the corresponding provision of any future United States Internal Revenue law (the "Code"). The primary purpose of the Corporation is to provide power, energy and other services to the members of the Corporation, including, but not necessarily be limited to, the following:

- (a) To generate, manufacture, purchase, acquire and accumulate electric energy and other sources of energy ("Energy") for its members or patrons and to transmit, distribute, furnish, sell and dispose of such Energy to its members or patrons, 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 transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any and 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 franchises, 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 or otherwise dispose of any and all real and 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 or patrons to wire their premises and install therein 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 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 to receive, acquire, endorse, pledge, guarantee, hypothecate, transfer or otherwise dispose of notes and other evidences of indebtedness and all security therefor;
- (e) To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any of the other objects or purposes of this Corporation; to secure 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 this Corporation, wheresoever situated, acquired or to be acquired;

- (f) To do and perform either for itself, its members or its 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 other lawful purposes, directly or indirectly through subsidiaries, joint ventures and/or affiliates or as may be permitted by the Acts under which this Corporation is formed or the Acts which this Corporation has elected to accept; provided, however, that this Corporation shall not be operated for pecuniary profit to this Corporation, its members or its patrons. This Corporation shall render no service to or for the public, directly or indirectly, that would not be permitted under Section 501(c)(12) of the Internal Revenue Code.

2. The Corporation, including all activities incident to its operation, shall at all times be conducted so as to be an organization described in Section 501(c)(12) of the Code. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(12) of the Code; and, by a nonprofit corporation organized under the laws of the State of Michigan pursuant to the Acts.

### ARTICLE III

The Corporation is organized as a cooperative under a non-profit, non-stock, member basis. The amount of assets which the Corporation possesses (as of December 31, 1996) is:

Real Property: \$ 3,320,976.  
Land and Buildings

Personal Property: \$ 54,940,521.  
Cash, Equipment and Fixtures

The Corporation is to be financed under the following general plan: member capital contributions, membership fees, revenues from business conducted with members and non-members, and loans from the United States of America or an instrumentality thereof or another financing organization.



**ARTICLE IV**

The address and mailing address of the initial registered office is:

P.O. Box 127  
901 E. State Street  
Cassopolis, Michigan 49031

The name of the initial resident agent at the registered office is:

Jon Bellgowan

**ARTICLE V**

The term of the corporate existence is perpetual.

**ARTICLE VI**

Any action required or permitted to be taken at a meeting of the members may be taken without a meeting, without prior notice, and without a vote if a consent in writing setting forth the acting so taken, is signed by a majority of the members having not less than the minimum number of votes necessary to authorize or take the action at a meeting where all eligible members were present and voted. Such consent shall have the same effect as a vote of the members and may be stated as such in any Articles or document filed with the State of Michigan.

**ARTICLE VII**

The Corporation shall not sell, mortgage, lease or otherwise dispose of or encumber any of its property other than:

(a) property which in the judgement of the Board of Directors neither is nor will be necessary or useful in operating and maintaining the Corporation's system and facilities; provided, however, that all sales of such property shall not, in any one (1) year, exceed in value ten per cent (10%) of the value of all of the property of the Corporation;

(b) services of all kinds, including electric and other forms of energy; or

(c) personal property acquired for resale;

unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members by the affirmative vote of at least two-thirds (2/3) of the members entitled

to vote. The notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting. Notwithstanding anything contained in these Articles, the Board of Directors, without authorization by the members, shall have the full power and authority to borrow money from the United State of American, any agency of the United States of America, the National Rural Utilities Cooperative Finance Corporation, or other sources, and to authorize the execution and delivery of bonds, notes or other evidences of indebtedness to evidence the indebtedness created by loans made by the United States of America, any agency of the United States of America, or the National Rural Utilities Cooperative Finance Corporation, or other sources, to the Corporation, and to refund bonds, notes of other evidences of indebtedness heretofore executed and delivered by Fruit Belt Electric Cooperative and Southeastern Michigan Rural Electric Cooperative, <sup>Incorporated,</sup> or in renewal thereof, or in substitution therefor, to evidence the indebtedness created by loans heretofore made by the United States of America or National Rural Utilities Cooperative Finance Corporation or other sources to said Cooperatives, and to secure such bonds, notes or other evidences of indebtedness heretofore executed and delivered by said Cooperatives to United States of America or National Rural Utilities Cooperative Finance Corporation or other sources, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, or the pledging or encumbrancing of, all or any of the property, assets, rights, privileges, licenses, franchises and permits of the Corporation, whether acquired or to be acquired, and wheresoever situated, all upon such terms and conditions as the Board of Directors shall determine.

#### ARTICLE VIII

No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its members, board, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of the purposes set forth in Article II hereof. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal Income Tax under Section 501(c)(12) of the Internal Revenue Code of 1986, or comparable provisions of subsequent legislation.

Upon dissolution of the Corporation, the Board of Directors shall dispose of all corporate assets, after paying or making provision for the payment of all of the liabilities of the Corporation, in any manner not prohibited by applicable law or Section 501(c)(12) of the Internal Revenue Code. Methods of disposing of such assets include, but are not limited to, giving the assets to such organizations who are organized for similar purposes as set forth in Article II hereof, or to such organizations operating as exempt organizations under Section 501(c)(12) of the Internal Revenue Code of 1986, or comparable provisions of subsequent legislation.



## ARTICLE IX

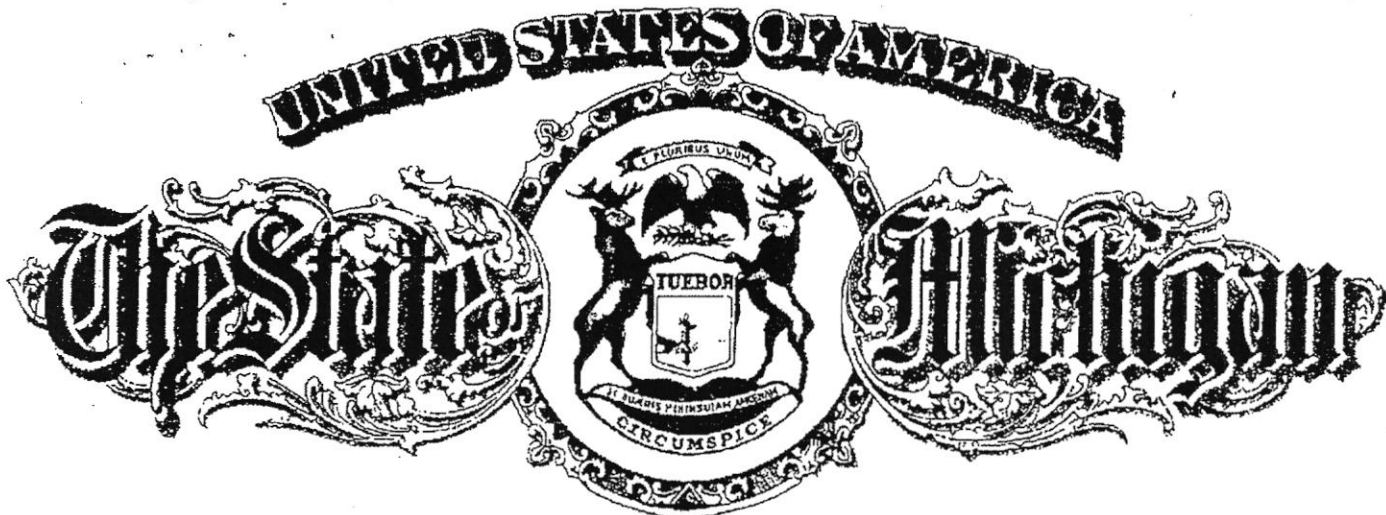
No member of the Board of Directors of the Corporation who is a volunteer director, as that term is defined in the Acts, and no volunteer officer in the Corporation shall be personally liable to this Corporation or its members for monetary damages for a breach of the director's or officer's fiduciary duty arising under the Michigan Non-Profit Corporation Act ("Non-Profit Act"), 162 PA 1982, or other applicable law; provided, however, that this provision shall not eliminate or limit the liability of a director or officer for any of the following:

1. A breach of the director's or officer's duty of loyalty to the corporation or its members, if any;
2. Acts of omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
3. A violation of section 551(1) of the Non-Profit Act;
4. A transaction from which the director or officer derived an improper personal benefit;
5. An act or omission occurring before the filing of these Articles of Incorporation;
6. An act or omission that is grossly negligent.

If the Non-Profit Act is hereafter amended to authorize the further elimination or limitation of the liability of directors or officers of non-profit corporations, then the liability of members of the Board of Directors and officers, in addition to the limitation on personal liability contained herein, shall be eliminated or limited to the fullest extent permitted by the Non-Profit Act as so amended, except to the extent such limitation, elimination of liability is inconsistent with the status of the Corporation as an organization described in Section 501(c)(12) of the Code. No amendment or repeal of this Article IX shall apply to or have any effect on the liability or alleged liability of any member of the Board of Directors or officers of this Corporation for or with respect to any acts or omissions of such director or officer occurring prior to the effective date of any such amendment or repeal.

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Michigan Department of Consumer and Industry Services

Lansing, Michigan

*This is to Certify That*

**MIDWEST ENERGY COOPERATIVE**

*was incorporated on January 1, 1998, as a Michigan nonprofit corporation, and said corporation is in existence under the laws of this State.*

*This certificate is issued to attest to the fact that the corporation is in good standing in this office as of this date and is duly authorized to transact business or conduct affairs in Michigan and for no other purpose. It is in the usual form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.*

*In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 6th day of January, 1998.*

*Julie Croll*

, Director

Corporation, Securities and Land Development Bureau