

**FILED**

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SECRETARY OF STATE  
STATE OF IDAHO

ARTICLES OF AMENDMENT

to

ARTICLES OF INCORPORATION

of

LOST RIVER ELECTRIC COOPERATIVE, INC.

IDAHO SECRETARY OF STATE

01/19/2000 09:00  
CR: 1534 CT: 6443 IN: 27738

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C26463

Pursuant to the provisions of Chapter 3 of Title 30 of the Idaho Code (Idaho Nonprofit Corporation Act), the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is Lost River Electric Cooperative, Inc.

SECOND: The following amendments of the Articles of Incorporation were adopted by the members of the corporation on November 3, 1999, in the manner prescribed by the Idaho Nonprofit Corporation Act.

ARTICLE I

The name of the Corporation is:

LOST RIVER ELECTRIC COOPERATIVE, INC.

ARTICLE II

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

- (a) To generate, manufacture, purchase, acquire and accumulate electric energy for its members only;; ~~and to file upon power sites for the purpose of development of electric energy; and to transmit, distribute, furnish, sell and dispose of such electric energy to its members only;;~~ **to purchase, receive, lease or otherwise acquire and own, hold, improve use, distribute, furnish, sell, dispose of and otherwise deal in and with any lawful product and service for its 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 and give and take security interests in plants, buildings, works, machinery, supplies, apparatus, equipment, and electric transmission and distribution lines, or and any other energy and energy producing systems, and systems for any other type of service and product systems** necessary, convenient or useful for the

**transaction of any lawful activity either alone or in combination with other purposes, and 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 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 to wire their premises and install therein electrical and plumbing 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 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 monies borrowed or in payment for property acquired, or for any of the other objects or purposes of the Corporation; 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

- Corporation, wheresoever situated, acquired or to be acquired;
- (f) **To purchase, receive, subscribe for or otherwise acquire, own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of, and deal in and with, shares, memberships, or other interests in or obligations of any entity.**
  - (g) 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 Corporation is formed. The Corporation shall render no service to or for the public.

### ARTICLE III

Section 1. The Corporation is formed without any purpose of pecuniary profit to itself and shall have no capital stock.

- (a) In the furnishing of electric energy or in purchasing any other product or service offered for sale by the Cooperative to its members, all amounts received in excess of operating costs and expenses properly chargeable against the furnishing of electric energy and any other product or service offered for sale by the Cooperative are received with the understanding that they are furnished by the members as capital.
- (b) All other amounts from its operations in excess of costs and expenses shall, insofar as permitted by law, be (1) used to offset any losses incurred during the current or prior fiscal year, (2) to the extent not needed for that purpose, allocated to its members on a patronage basis.
- (c) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits

and all gains from the sale or liquidation of assets, as well as all other assets, including funds of the Cooperative, shall be returned to the members, without priority, on a pro rata basis according to their respective accumulated capital credits .

**Section 2.** Any person, firm, **entity, association,** corporation, or body politic or **subdivision thereof** may become a member in the Cooperative by:

- (a) paying the membership fee hereinafter specified;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified; **or by agreeing to purchase any other product or service offered for sale by the Cooperative to its members;** and
- (c) agreeing to comply with and **being** bound by the Articles of Incorporation of the Corporation and these By-Laws and any amendments thereto and such rules and regulations as may from time to time be adopted by the board of directors, provided, however, that no person, association, firm, corporation, **entity,** or body politic, **or subdivision thereof** shall become a member unless and until he or it has been accepted for membership by the board of directors or the members.

The Bylaws may provide for appeal by any applicant to a meeting of the members. No person, firm, **entity, association,** corporation or body politic, **or subdivision thereof** may own more than one (1) membership in the Corporation.

A husband and wife may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section, provided the husband and wife comply jointly with the provisions of the above subdivisions (a), (b) and (c).

**Section 3.** The membership fee shall be five dollars (\$5.00), but the bylaw may provide for additional fees to be paid by members requesting more than one service connection.

**Section 4.** **Except for the electric energy produced by the member,** Each member shall, as soon as electric energy shall be available, purchase from the corporation all electric energy purchased for use on the premises referred to in the application of such member for

membership, and shall pay therefore monthly 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 corporation 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 corporation 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 pay all obligations which may from time to time become due and payable by such member to the corporation as and when the same shall become due and payable. Production or use of electric energy on the member's premises, regardless of the source thereof, by means of facilities, which shall be interconnected with cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the cooperative.

Section 5. The private property of the members of the Corporation shall be exempt from execution for the debts of the Corporation and no member shall be individually liable or responsible for any debts or liabilities of the corporation.

Section 6. The board of directors of the corporation may, by the affirmative vote of not less than two-thirds ( $\frac{2}{3}$ ) of the members thereof, expel any member who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation of the Corporation or the bylaws or any rules or regulations adopted from time to time by the board of directors. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final.

Section 7. Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Corporation and upon compliance with such terms and conditions as the board of directors may prescribe.

Section 8. (a) Membership in the corporation and a certificate representing the same shall not be transferable, except as hereinafter otherwise provided, and upon the death, cessation of existence, expulsion or withdrawal of a member the membership of such member shall thereupon terminate, and the certificate of membership of such member shall be surrendered forthwith to the corporation. Termination of membership in any manner shall not release the

member from the debts or liabilities of such member to the corporation.

(b) A membership may be transferred by a member to himself or herself and his or her spouse, as the case may be, jointly upon the written request of such member and compliance by such husband and wife jointly with the provisions of subdivisions (b) and (c) of section 2 of this article. Such transfer shall be made and recorded on the books of the corporation and such joint membership noted on the original certificate representing the membership so transferred.

(c) When a membership is held jointly by a husband and wife, upon the death of either such member shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be, and the joint membership certificate may be surrendered by the survivor and upon the recording of such death on the books of the Corporation the certificate may be reissued to and in the name of such survivor; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Corporation.

Section 9. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon in person or by proxy, except as otherwise provided by law, the certificate of incorporation of the Corporation, or the bylaws. If a husband and wife hold a joint membership they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

Section 10. As long as the total number of members does not exceed one thousand (1,000), at least fifteen per centum (15%) of the total number present in person or represented by proxy shall constitute a quorum for the transaction of business at all meetings of the members provided at least five per centum (5%) of the total number of members are present in person. In case the total number of members shall exceed one thousand (1,000) then at least one hundred fifty (150) of the members present in person or represented by proxy shall constitute a quorum for the transaction of business at all meetings of the members. If the total number of members is one hundred (100) or less, a quorum for the purpose of the election of directors at annual

meetings of the members shall consist of fifty-one (51%) per centum of the total number present in person or represented by proxy, provided at least five per centum (5%) of the total number of members are present in person. If less than a quorum is present at any meeting, a majority of those present in person or represented by proxy may adjourn the meeting from time to time without further notice.

#### ARTICLE IV

Section 1. Except as limited elsewhere in these Articles or in the bylaws of the Corporation, the business and affairs of the Corporation shall be vested in and managed and controlled by a board of directors and the officers of the Corporation shall be president, a vice-president, a treasurer and a secretary. The offices of Secretary and Treasurer may be held by the same person.

Section 2. The officers of the Corporation shall be elected by ballot, by and from the members of the board of directors at such times and for such terms of office as shall be provided in the Bylaws of the corporation.

Section 3. The number of directors of the Corporation shall be nine (9) and the names and post office addresses of the directors who shall manage the affairs and business of the Corporation for the **first present** year or until their successors shall have been elected and shall have qualified according to law and the bylaws of the Corporation are:

<u>Name</u>	<u>Post Office Address</u>
E. Kidman	Arco, Idaho
DeVon R. Jensen	Moore, Idaho
Leland A. Cook	Leslie, Idaho
A. L. Quist	Arco, Idaho
M. M. Hintze	Mackay, Idaho
Ray King	Moore, Idaho
D. O. Tweedie	Moore, Idaho
J. E. Jensen	Moore, Idaho
T. C. Waddoups	Moore, Idaho
Steven J. Aikele	Route 1 Box 63 F Moore, Idaho 83255

**Gary G. Lambson**

**Randy R. Purser**

**Lynn O. Rothwell**

**Lloyd L. Smith**

**Margery Fulton Smith**

**Wiley F. Smith**

**D. Keith Waddoups**

**Merlin A. Waddoups**

**PO Box 262**

**Mackay, Idaho 83251**

**Rt. 1 Box 121 B**

**Moore, Idaho 83255**

**Route 1 Box 45**

**Darlington, Idaho 83255**

**Route 1 Box 1**

**Mackay, Idaho 83251**

**Star Route**

**Mackay, Idaho 83251**

**Star Route**

**Mackay, Idaho 83251**

**Route 1 Box 62A**

**Moore, Idaho 83255**

**Route 1 Box 99**

**Moore, Idaho 83255**

Hereafter, at each annual meeting of the members the directors shall be elected by and from the members of the Corporation to hold office until the next annual meeting of the members or until their successors shall have been elected and shall have qualified.

Section 4. The Bylaws may make provision for the removal of directors and the filling of vacancies so created. Bylaws may also provide for division of the territory served by the Corporation into voting districts, and for the election of directors directly by such voting districts, or by a body of delegates elected by such voting districts.

Section 5. The directors, as such, shall not receive any compensation for their services, but the Bylaws may provide for reimbursement for reasonable expenses incurred in connection with the performance of their duties.

## ARTICLE V

Section 1. Membership in the Corporation shall be evidenced by a certificate of membership which shall be in such form and shall contain such provisions as shall be determined by the board of directors not contrary to, or inconsistent with, these Articles of Incorporation or the bylaws of the Corporation. Such certificate shall be signed by the President and by the Secretary of the Corporation and the corporate seal shall be affixed thereto.

Section 2. No membership certificates shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid for in cash, and such payment has been deposited with the Treasurer.



Section 3. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Corporation as the board of directors may prescribe.

Section 4. The first set of bylaws of the Corporation shall be adopted by the board of directors, but thereafter the bylaws of the Corporation may be altered, amended or repealed by the affirmative vote of a majority of the total number of the members only at any regular or special meeting, provided that the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

Section 5. The bylaws of the Corporation 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 Corporation, make provisions for annual and special meetings of members and directors and notices thereof, provide for methods of voting, quorum requirements, and any other matters relating to the internal organization and management of the Corporation, provided that such provisions shall not be inconsistent with these Articles of Incorporation or the laws of the State of Idaho.

#### ARTICLE VI

The term of existence of the Corporation shall be perpetual.

#### ARTICLE VII

The operations of the corporation shall be carried on in the counties of Butte and Custer, in the sState of Idaho, and in such other counties in the sState of Idaho, and in the United States of America as the board of directors may from time to time decide. The name of the initial registered agent is LaNea Holt, and her address and the address of the registered office and place of business of the corporation shall be at 306 Pine St., in Mackay, County of Custer, sState of Idaho, and the corporation may maintain offices at such other place or places in said state or United States as the board of directors may from time to time decide.

#### ARTICLE VIII

The Corporation may amend, alter, change or repeal any provision contained in these Articles of Incorporation by the affirmative vote of a majority of the total number of members at any regular or special meeting, provided the notices of such meeting shall have contained a copy

of the proposed alteration, amendment or repeal.

THIRD: The number of members of the Corporation outstanding at the time of such adoption was 1,499. The bylaws of the Corporation provide as follows, "At least one hundred-fifty (150) of the total membership, whether present in person, or by proxy, or by absentee ballot, shall constitute a quorum".

At said annual meeting of the members held on November 3, 1999, there were present in person 169 members, 56 were represented by proxy, and 36 were represented by voting credential. Therefore, the total number of memberships entitled to vote thereon was 261.

FOURTH: The designation and number of outstanding membership of each class entitled to vote thereon as a class were as follows:

<u>Class</u>	<u>Number of Memberships Entitled to Vote</u>
All Members are of the same class, with equal rights.	261

FIFTH: The number of votes for and against each amendment are as follows:

<u>Amendments to:</u>	<u>For</u>	<u>Against</u>
Article II, Par. A.	215	18
Article II, Par. F.	209	26
Article II, Par. G.	217	11
Article III, Sec. 2.	213	17
Article III, Sec. 2(b)	214	11
Article III, Sec. 2(c)	214	14
Article III, Sec. 4.	216	13
Article IV, Sec. 3.	217	12
Article VII.	217	12

SIXTH: The manner in which any exchange, reclassification, or cancellation of issued memberships provided for in the amendments shall be effected is as follows:

None

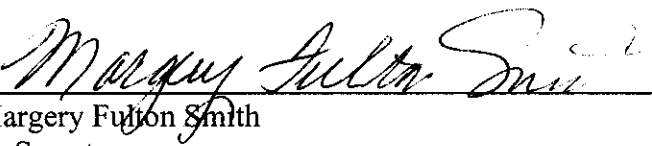
SEVENTH: The manner in which such amendments effects a change in the amount of memberships, and the amount of memberships as changed by such amendments, are as follows:

No change.

DATED: ~~November~~ <sup>December</sup> 16th, 1999

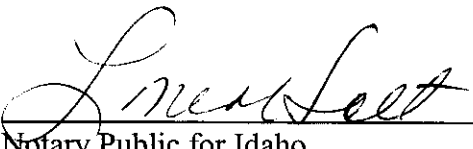
LOST RIVER ELECTRIC COOPERATIVE, INC.

By:   
Merlin A. Waddoups  
Its President

By:   
Margery Fulton Smith  
Its Secretary

STATE OF IDAHO,                    )  
  ss.  
County of Custer.                 )

On this 16th day of ~~November~~ <sup>December</sup>, 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared MERLIN A. WADDOUPS and MARGERY FULTON SMITH, known to me to be the President and Secretary, respectively, of Lost River Electric Cooperative, Inc., the corporation that executed the foregoing instrument and acknowledged to me that such corporation executed the same.

  
Notary Public for Idaho  
Residing at Mackay, Idaho  
My Commission Expires: 4-1-2000