

MEDINA ELECTRIC COOPERATIVE, INC.

RESTATED ARTICLES OF INCORPORATION WITH NEW AMENDMENTS

ORIGINALLY ADOPTED	11/19/1938
W/REVISION TO ARTICLE IV	9/1947
W/REVISION TO ARTICLE IV	7/1962
W/REVISION TO ARTICLE VIII	9/1971
W/ADDITION OF ARTICLE XI	10/1989
W/RESTATEMENT AND NEW AMENDMENTS	9/2015

**RESTATED ARTICLES OF INCORPORATION
WITH NEW AMENDMENTS
OF
MEDINA ELECTRIC COOPERATIVE, INC.**

KNOW ALL MEN BY THESE PRESENTS:

Pursuant to the provisions of the Electric Cooperative Corporation Act, the undersigned Corporation adopts these Restated Articles of Incorporation with New Amendments. All prior Articles of Incorporation of Medina Electric Cooperative, Inc., are entirely superseded and the following is adopted as the complete Certificate of Formation of Medina Electric Cooperative, Inc.

ARTICLE I

The name of the Corporation is **MEDINA ELECTRIC COOPERATIVE, INC.**

ARTICLE II

The purpose or purposes for which the Corporation is organized are:

1. To engage in the business of rural electrification by generating, transmitting, furnishing and selling electric power and energy pursuant to the provisions of the Electric Cooperative Corporation Act of the State of Texas; and
2. To engage in any and all business which may be authorized now or in the future by the Electric Cooperative Corporation Act of the State of Texas and any other law affecting or pertaining to electric cooperatives, including the providing of electric energy and electric utility service as may be authorized pursuant to the provisions of the Public Utility Regulatory Act of the State of Texas; and
3. To do any and everything necessary, proper, advisable, or convenient for the accomplishment or furtherance of such purposes.

ARTICLE III

The names and addresses of the incorporators who shall serve as directors and manage the affairs of the corporation until the first annual meeting of the members or until their successors are elected and qualified are as follows:

H.H. Decker, Hondo, Texas

Robt. H. Riff, Hondo, Texas

Arthur Grell, Hondo, Texas
JamesG. Britsch, Hondo, Texas
A.L. Haegelin, Hondo, Texas
Claude W. Gilliam, Hondo, Texas

A.C. Gilliam, Hondo, Texas
John Amberson, Hondo, Texas
Hy F. Buss, Hondo, Texas

ARTICLE IV

(This Article amended 7/62)

The business and affairs of the Corporation shall be managed by a board of nine (9) directors, three (3) of whom shall be elected each year.

ARTICLE V

The address of the principal office of the Corporation is 2308 18th Street, Hondo, Medina County, Texas, 78861 and the name and address of its agent upon whom process may be served is Mark Rollans, 2308 18th Street, Hondo, Texas 78861.

ARTICLE VI

The duration of the Corporation shall be perpetual.

ARTICLE VII

Section 1. Any person, firm, corporation, partnership, association, body politic or other entity may become a member of the Corporation by:

- a) paying the membership fee hereinafter specified;
- b) agreeing to purchase from the Corporation a good or service; and
- c) agreeing to comply with and be bound by the articles of incorporation of the Corporation and the bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the board of directors.

Section 2. 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.

Section 3. The bylaws of the Corporation may fix other terms and conditions upon which persons shall be admitted to and retain membership in the Corporation not inconsistent with these articles of incorporation or the Act under which it is

organized.

ARTICLE VIII

(This Article amended 9/71)

Section 1. The Cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting.

Section 2. Notwithstanding Section 1 of Article VIII, or any other provision of these Articles, the Board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative.

Section 3. Notwithstanding Section 1 of Article VIII, or any other provision of these Articles, the Board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this State pursuant to the Act under which the Corporation is incorporated.

ARTICLE IX

Section 1. Except as provided in this Section 1 or Section 2 of this Article IX, one hundred fifty (150) members of the Corporation shall constitute a quorum for the transaction of business at all meetings of the members. Notwithstanding the foregoing, (1) five percent (5%) of the total number of all members of the Corporation shall constitute a quorum if amendments to these Articles are submitted to a vote of the members, and (2) one thousand two hundred (1,200) members of the Corporation shall constitute a quorum if the sale, lease, lease-sale, exchange, transfer or other disposition of all or substantially all of the Corporation's property to another corporation doing business in this State pursuant to the act under which this Corporation is incorporated is submitted to a vote of the members.

Section 2. Two thirds (66 and 2/3 percent) of the total membership of the Corporation shall constitute a quorum at a meeting for the purpose of considering the (1) sale, lease, lease-sale, exchange, transfer or other disposition of all or substantially all of the Corporation's property to a person, corporation or other entity not doing business in this State pursuant to the act under which this Corporation is incorporated, (2) alteration, amendment or repeal of section 1 of Article VIII of these Articles relating to the sale or

disposition of all or substantially all of the Corporation's property to a person, corporation or other entity not doing business in this State pursuant to the act under which this Corporation is incorporated, or (3) amendment, alteration or repeal of this section 2 of Article IX of these Articles.

Section 3. Only members present in person shall be counted in determining whether a quorum exists. If voting by mail, proxy or electronic means is authorized pursuant to the By-Laws of the Corporation, persons voting as so authorized shall be counted as present in person. If less than a quorum is present in person at a meeting, a majority of the members attending in person may adjourn the meeting from time to time without further notice.

ARTICLE X

The bylaws of the Corporation may be altered, amended or repealed by not less than the affirmative vote of two-thirds (2/3) of all of the Board of Directors at any regular or special meeting.

ARTICLE XI

(This Article added 10/89)

Directors of the Corporation shall not be liable to the Corporation or its members for monetary damages for an act or omission in the director's capacity as a director except that this Article does not eliminate or limit the liability of a director for:

- a) breach of a director's duty of loyalty to the Corporation or its shareholders or members;
- b) an act of omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- c) a transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office;
- d) an act or omission for which the liability of a director is expressly provided for by statute;
- e) an act related to an unlawful stock repurchase or payment of a dividend.

The foregoing Articles of Amendment to the Articles of Incorporation of Medina Electric Cooperative, Inc., were lawfully adopted at a meeting of the members held on September 26, 2015, at which more than five percent (5%) of the members were present in person or by proxy, and with a quorum being present, the Articles of Amendment received an affirmative vote of a majority of the members present.

Executed this ____ day of _____, 2015.

Medina Electric Cooperative, Inc.

By: _____

Glenn Schweers,

President

Attest:

Annette Sorrells, Secretary

STATE OF TEXAS §
 §
COUNTY OF AUSTIN §

Before me, the undersigned, a Notary Public, on this day personally appeared Glenn Schweers and Annette Sorrells, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and, being first duly sworn, individually/severally acknowledged to me that he/they executed the same in the capacity therein set forth for the purposes therein expressed and that the statements therein contained are true and correct.

Given under my hand and seal of office this ____ day of _____, 2015

Notary Public, State of Texas