Articles of Incorporation
of
Salem Electric
(As Amended to May 7, 2019)

ARTICLE I
The name of said corporation shall be SALEM ELECTRIC, and its duration shall be perpetual.

ARTICLE II
The purpose of this association, and the enterprise, business and pursuit in which it proposes to engage, is as follows:

a) To generate, manufacture, purchase, acquire and accumulate electric energy for its members, any city, the state of Oregon, or any public body or institution, and to transmit, distribute, furnish, sell and dispose of such electric energy to its members, any city, state, or public body or institution 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, equipment and supplies and electric transmission and distribution lines of systems necessary, convenient or useful for carrying out and accomplishing any 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 association;

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 association to accomplish any and all of its purposes;

d) To assist its members to wire their premises and install therein electrical appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character and in connection therewith and for such purposes, to purchase, acquire, lease, sell, distribute, install and repair electrical appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character 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 the association; to secure the payment of such bonds, notes or other evidence 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 association, wheresoever
situated, acquired or to be acquired;

f) To make advances and to extend credit to or for the account of the members of the
association and take any form of obligation or security therefor, to acquire, hold,
transfer or pledge any note or other obligation and to make any contract,
endorsement or guaranty deemed desirable incident to the transfer or pledge of any
such obligation, note or security;

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 laws of
the state of Oregon relating to nonprofit cooperative associations.

ARTICLE III

The duration of this association shall be perpetual.

ARTICLE IV

This association shall not have any capital stock, but shall admit applicants to membership
upon such uniform conditions as may be prescribed by the board of directors of the
association, or in its bylaws. There shall be a membership fee of 1¢.

ARTICLE V

The conditions under which a membership in this association may be transferred shall be as
follows: Memberships shall not be transferable save and except when transferred together
with the transfer of ownership or possession of the member's property to which the
association's service pertains, and then only after ten days' written notice to the association
and approval of such transfer by the board of directors of the association.

ARTICLE VI

The undersigned incorporators shall have the power, by the adoption of suitable bylaws, to
prescribe the qualifications for membership, to provide for the admission, withdrawal,
suspension, or expulsion of members, rules and regulations for the conduct of the affair of
this association, pursuant to the laws of the state of Oregon relating to cooperative
associations.

ARTICLE VII

SECTION 1: Supersedes Inconsistent Articles.

The provisions of this Article VII shall supersede all other inconsistent provisions of the
Articles of Incorporation of the cooperative and shall govern the interpretation and
application of all matters within the scope of this Article VII.
SECTION 2: Scope.  

The provisions of this Article VII shall apply whenever any of the following transactions are proposed or considered by the cooperative:

   a) A sale, lease, exchange or other disposition of all, or substantially all, the property and assets of the cooperative to any person, partnership or unincorporated association; or with a domestic or foreign corporation subject to Oregon Revised Statutes, Chapter 60; or

   b) A voluntary dissolution of the cooperative;

   c) A merger of the cooperative with or consolidation into a domestic or foreign corporation subject to Oregon Revised Statutes, Chapter 60; or

   d) Conversion of the cooperative into a business corporation subject to Oregon Revised Statutes, Chapter 60.

SECTION 3: Requirements.  

   a) Any action within the scope of Section 2 of this Article VII shall require the affirmative vote of at least two-thirds of the directors of the cooperative, except as set forth in subsection (f) hereof.

   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 VII, no meeting of the members shall be called or held for the purpose of voting on any such proposal or recommendation for at least 180 days after the date of such resolution. The purpose of this waiting period is to permit the cooperative's membership to become informed on the 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 of the members, present in person or by written ballot, shall be necessary for a quorum at any meeting at which the members will vote on any matter within the scope of Section 2 of this Article VII.

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

   e) At a meeting called for such purpose, an affirmative vote, in person, by written ballot, or by other methods as permitted by law, of two-thirds of all the members of the cooperative who are entitled to vote is required to approve any action within the scope of Section 2 of this Article VII.
f) In the event the Board shall fail to offer a resolution on any matter within the scope of Section 2 of this Article VII presented to the Board and, if thereafter at least ten percent of the cooperative membership shall have signed and delivered to the Secretary of the Board a petition for consideration of such proposal within the scope of Section 2 of this Article VII, in such event, the Board shall submit the proposal to the membership for the purpose of voting on any such proposal no sooner than 180 days, nor more than 210 days after receipt of said petition by the Secretary of the Board. The petition shall set forth the text of the proposal. The voting requirements of Subsections (c), (d) and (e) of Section 3 of this Article VII shall apply to any proposal presented in accordance with this Subsection (f) of Section 3 of this Article VII.

g) After the members vote in accordance with subsection (e) of this Section 3 of Article VII, the Board nevertheless, in the Board’s sole discretion, may abandon the sale, lease, exchange or other disposition subject to the rights of third parties under any contracts that relate to the sale, lease, exchange or other disposition, without further action or approval by members. A simple majority of the board may approve the decision to abandon the members’ approval of the transaction.

SECTION 4: Severability.

In the event any provision, condition or part of this Article VII 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 VIII

Subject to the exceptions set forth in this paragraph, these Articles may be amended by a favorable vote of majority of those members in person, by written ballot, or by other methods as permitted by law, at a meeting where a quorum of at least ten percent of all members are present in person, by written ballot, or by other methods as permitted by law, except that (i) this Article VIII may be amended only by favorable vote of two-thirds of those members in attendance, either in person, by written ballot, or by other methods as permitted by law; and (ii) Article VII (relating to a sale, merger, consolidation, dissolution or conversion to a business corporation) may be amended only by favorable vote of two-thirds of the entire membership voting either in person, by written ballot, or by other methods as permitted by law.