

[proposed]

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
DELTA-MONTROSE ELECTRIC ASSOCIATION**

THESE AMENDED AND RESTATED ARTICLES OF INCORPORATION (i) fully set forth the articles of incorporation of Delta-Montrose Electric Association (the “*Cooperative*”) as so amended and restated, (ii) have been duly adopted as required by law, effective as of _____, 2018, and (iii) supersede the original articles of incorporation and all amendments thereto. The Cooperative is organized under Title 7, Article 55 of the Colorado Revised Statutes, and has determined to accept the benefits and to be bound by the provisions of Title 7, Article 56 of the Colorado Revised Statutes (the “*Colorado Cooperative Act*”) in accordance with § 7-56-205, C.R.S., and has amended its constituent operating documents as necessary to conform to the Colorado Cooperative Act by amendments adopted in accordance with applicable law and the Cooperative’s constituent operating documents.

ARTICLE 1

The name of the Cooperative shall be Delta-Montrose Electric Association.

ARTICLE 2

2.1 The Cooperative is organized for the following purposes:

(a) To generate, manufacture, purchase, acquire, store and accumulate electric energy for its members, and to transmit, distribute, furnish, sell and dispose of such electric energy to its members and any consumers in the area served by the Cooperative who agree to be governed by the rules and regulations of the Board of Directors, and subject to any applicable laws of the State of Colorado;

(b) To form one or more wholly owned profit or non-profit subsidiary business organizations, or to participate with third parties in the ownership of independent profit or non-profit business organizations to provide such other services or products as may be permitted by law;

(c) To transact all lawful business in which the Cooperative may be involved pursuant to the Colorado Cooperative Act and any other applicable law;

(d) To do all such acts and things as may be useful, necessary or convenient for the accomplishment of the purposes in this Article 2, provided, however, that all of the operations and business of the Cooperative shall be on a cooperative basis, not for profit and for the mutual benefit of its members.

2.2 In pursuing its purposes, the Cooperative shall have all of the rights, powers and privileges now or later conferred upon cooperative associations subject to the Colorado Cooperative Act, and as may be stated in the Bylaws of the Cooperative as may be amended from time to time.

ARTICLE 3

3.1 Any person, firm, corporation or body politic may become a member of the Cooperative by:

- (a) making a written application for membership,
- (b) agreeing to purchase from the Cooperative electric energy as specified herein, and
- (c) agreeing to comply with and be bound by these Articles and the Bylaws of the Cooperative and any amendments thereto, and with such rules and regulations as may from time to time be adopted by the Board of Directors of the Cooperative, provided, however, that no person, firm, corporation or body politic may hold more than one membership in the Cooperative.

3.2 The Bylaws of the Cooperative may define and fix the duties and responsibilities of the members and prescribe such terms and conditions upon which members shall be admitted to and retain membership in the Cooperative not inconsistent with these Articles or applicable law.

3.3 Capital Stock.

(a) The Cooperative shall be organized without common voting capital stock. The property rights and interests of each voting member shall be different depending on the rate class of the member as determined by the Board of Directors according to the Bylaws of the Cooperative, and shall be subject to restrictions on transfer as set forth in the Bylaws. The property rights and interests of newly admitted members shall be determined in the same manner. Each member shall be entitled to only one vote on any matter presented to the members for a vote. No member of the Cooperative shall have a direct interest in or claim upon the property of the Cooperative. Qualifications for voting membership in the Cooperative shall be established in and administered pursuant to the Bylaws of the Cooperative. Only members whose membership has not been suspended shall be entitled to vote. Members of the Cooperative shall be entitled to share in allocations of net margins and be subject to per unit retains in the manner and to the extent determined by the Board of Directors in accordance with the Bylaws.

(b) The Cooperative is authorized to issue, on terms and conditions established by the Board of Directors, up to 1,000,000 shares of non-voting preferred stock (“**Preferred Stock**”), with no par value, in one or more series as may be established by the Board of Directors in the Bylaws or in the resolution authorizing its issuance. Preferred Stock shall be: (i) subject to redemption on such terms and conditions, (ii) entitled to dividends, if any, (iii) entitled to such preferences as to dividends and distributions, and (iv) subject to such restrictions on transfer as established by the Board of Directors in the Bylaws or in the resolution authorizing the issuance of the Preferred Stock. Preferred Stock may be issued and sold by the Cooperative to any person, including persons not otherwise qualified to be members. Under no circumstances shall Preferred Stock, or the holders of such Preferred Stock by virtue of their ownership of Preferred Stock, have any voting rights in the Cooperative.

ARTICLE 4

The Cooperative shall have perpetual existence.

ARTICLE 5

5.1 The powers of this Cooperative and the management of its affairs shall be vested in the Board of Directors. The number of directors shall be as prescribed by the Bylaws of the Cooperative, except that the number of the directors shall be no less than nine and no more than twelve. Each term of office for a director shall be three years. Each director must be a member of the Cooperative.

5.2 Cumulative or proxy voting shall not be permitted except that, where a member is other than an individual, its vote may be cast by a representative authorized pursuant to the Colorado Cooperative Act.

5.3 The Board of Directors shall have the power to make such prudential Bylaws as shall be necessary for the government of the Cooperative not inconsistent with these Articles and for the management of the Cooperative's business and the conduct of its affairs, and to add to, repeal, modify and amend the same.

5.4 The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with these Articles or the Bylaws of the Cooperative, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

5.5 The Cooperative shall eliminate or limit the personal liability of a director of the Cooperative to the maximum extent permitted by law and indemnify to the fullest extent authorized or permitted by law (as now or hereafter in effect) any director, officer, employee or agent of the Cooperative. No amendment or repeal of this Section 5.5 of Article 5 shall apply to or have any effect on any right to indemnification provided hereunder with respect to any acts or omission occurring prior to such amendment or repeal.

5.6 In order to broaden the opportunities for service to the Cooperative and to assure that the Board of Directors is representative of the Cooperative's members, no director shall serve more than four consecutive three-year terms as a director on the Board. Any person appointed or elected to fill a vacancy on the Board of Directors and who serves at least one-half of a term of office shall be considered to have served a term in that office for purposes of this Section 5.6. Terms are considered consecutive unless they are at least two years apart.

ARTICLE 6

The members of the Cooperative shall not be individually responsible for debts, obligations, or liabilities of the Cooperative to any extent whatever except as required by law.

IN WITNESS WHEREOF, the undersigned have executed these Amended and Restated Articles of Incorporation on the ____ day of _____, 20__.

[NAME], President

[NAME], Secretary

STATE OF COLORADO)
) ss.
COUNTY OF MONTROSE)

The foregoing instrument was acknowledged before me on _____, 20__, by _____, and _____, as President and Secretary, respectively, of Delta-Montrose Electric Association, a Colorado cooperative association.

Notary Public

[Seal]