

STATE OF TEXAS §

COUNTY OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned, being natural persons of the age of twenty-one years or more and citizens and residents of the State of Texas, for the purpose of forming a corporation under the "Electric Cooperative Corporation Act" of the State of Texas, do hereby adopt the following articles of incorporation:

**ARTICLE I**

The name of the Corporation is NUECES ELECTRIC COOPERATIVE, INC.

**ARTICLE II**

The purpose or purposes for which the Corporation is organized are to engage in rural electrification and

1. to generate, manufacture, purchase, acquire and accumulate electric energy and to transmit, distribute, furnish, sell and dispose of such electric energy to its members only;
2. to assist its members only to wire their premises and install therein, and to acquire and supply, electrical and plumbing appliances, fixtures machinery, supplies, apparatus and equipment of any and all kinds and character, including, without limiting the generality of the forgoing, such as are applicable to water supply and sewage disposal.

**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:

<u>Name</u>	<u>Address</u>
W.F.L. Lehman	R.F.D. No. 1, Box 374, Corpus Christi, Texas
O.F. Brendle	R.F.D. No. 1, Robstown, Texas
Roy Barlow	R.F.D. No. 3, Robstown, Texas
Emil Hinze	R.F.D. No. 1, Robstown, Texas
F.C. Wolf	Orange Grove, Texas
Aug. Wisian	R.F.D. No. 2, Robstown, Texas
Fred L. Lowman	R.F.D. No. 3, Robstown, Texas
C.A. Eggleston	Agua Dulce, Texas
John H. Bolland	Bishop, Texas

#### **ARTICLE IV**

The number of directors to be elected at annual meetings of the members is nine (9).

#### **ARTICLE V**

The address of the principal office of the Corporation shall be Robstown, County of Nueces, Texas, and the name and address of its agent upon whom process may be served is W.F.L. Lehman, R.F.D. No. 1, Box 374, Corpus Christi, Texas.

#### **ARTICLE VI**

The duration of the Corporation shall be perpetual.

#### **ARTICLE VII**

Section 1. Any person, firm, corporation or body politic may become a member in the Corporation by:

- (a) paying the membership fee hereinafter specified;
- (b) agreeing to purchase from the Corporation electric energy as hereinafter specified; and
- (c) agreeing to comply with and be bound by the articles of incorporation of the Corporation and these bylaws 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, firm, corporation or body politic shall become a member unless and until he or it has been accepted for membership by the board of directors or the members. At each meeting of the members held subsequent to the expiration of a period of six (6) months from the date of incorporation of the corporation, all applications received more than (sic) ninety (90) days prior to such meeting and which have not been accepted by the board of directors shall be submitted by the board of directors to such meeting of the members, and, subject to compliance by the applicant with the conditions set forth in subdivisions (a), (b) and (c) of this section, such application for membership may be accepted by a vote of the members at such meeting. The Secretary shall give any such applicant at least ten (10) days prior notice of the date of the members' meeting to which this application will be submitted and such applicant may be present and heard at the meeting. No person, firm, corporation or body politic 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 2. Each member shall, as soon as electric energy shall be available, purchase from the Corporation all electric energy used on the premises referred to in the application of such member for membership, and shall pay therefor 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 also 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 person 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**

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

- (a) property which in the judgment 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 percentum (10%) of the value of all of the property of the Corporation;
- (b) services of all kinds, including electric energy; and
- (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 voting thereon at such meeting in person or by proxy, and the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of directors, without authorization by the members, shall have full power and authority to borrow money from the United States of America, Reconstruction Finance Corporation, or any agency or instrumentality thereof, and in connection with such borrowing to authorize the making and issuance of bonds, notes or other evidences of indebtedness and, to secure the payment thereof, 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 Corporation, wherever situated, and whether acquired or to be acquired, and wherever situated, all upon such terms and conditions as the board of directors shall determine.

### **ARTICLE IX**

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 (sic) for the transaction of business at all meetings of the members. 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 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.

IN WITNESS WHEREOF we have hereunto set our hands and seals this 5th day of December, 1938.

s/W.F.L. Lehman  
s/O.F. Brendle  
s/Roy Barlow  
s/Emil Hinze  
s/F.C. Wolf  
s/Aug. Wisian  
s/Fred L. Lowman  
s/C.A. Eggleston  
s/John H. Bolland

STATE OF TEXAS                    }

COUNTY OF NUECES                }

BEFORE ME, B.H. Kirk, a Notary Public in and for Nueces County, Texas, on this day personally appeared W.F.L. Lehman, O.F. Brendle, Roy Barlow, Emil Hinze, F.C. Wolf, Aug. Wisian, Fred L. Lowman, C.A. Eggleston and John H. Bolland, known to me to be the persons whose names are subscribed to the foregoing instrument and severally acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this the 5th day of December, 1938.

s/B.H. Kirk,  
Notary Public in and  
for Nueces County, Texas

**ARTICLES OF AMENDMENT  
TO  
ARTICLES OF INCORPORATION  
OF  
NUECES ELECTRIC COOPERATIVE, INC.**

Pursuant to the provisions of Article 1528b, (Section 26) the undersigned corporation adopts the following amendments to its Articles of Incorporation which provides for the amendment of Article VIII which provides for its authority to borrow money and pledge or mortgage its assets;

ARTICLE ONE.           The name of the corporation is Nueces Electric Cooperative, Inc.

ARTICLE TWO.           The following amendment to the Articles of Incorporation was adopted by the shareholders of the corporation on September 12, 1972:

Article Four (4) of the Articles of Incorporation is hereby amended so as to read as follows:

The number of directors to be elected at annual meetings of the members shall be in accordance with the bylaws of the Nueces Electric Cooperative, Inc., as passed by the Board of Directors.

Article Eight (8) of the Articles of Incorporation is hereby amended so as to read as follows:

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

- (a) property which in the judgment 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 centum (10%) of the value of all of the property of the Corporation;
- (b) services of all kinds, including electric energy; and
- (c) personal property acquired for resale; unless such sale, mortgage, lease, or other disposition or encumbrances is authorized at a meeting of the members by the affirmative vote of at least two thirds (2/3) of the members voting thereon at such meeting in person or by proxy, and the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of directors without authorization by the members, shall have full power and authority to borrow money from the United States of America, or any agency or instrumentality thereof, or any private agency and in connection with such borrowing to authorize the making and issuance of bonds, notes or other evidences of indebtedness and, to secure the payment thereof, 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 any or all of the property assets, rights, privileges, licenses, franchises and permits of the Corporation, wherever situated, and whether acquired or to be acquired, and

wherever situated, all upon such terms and conditions as the board of directors shall determine.

It appearing that more than five (5) per cent of the members of such corporation having appeared either in person or in proxy at the meeting held on the 12th day of September, 1972, and the same having been duly noticed and such action having been taken by a majority vote of those members, the action of the Corporation is certified by the undersigned authorities on this the 12th day of September, 1972.

NUECES ELECTRIC COOPERATIVE, INC.

By s/Ernest J. Botard  
PRESIDENT

s/W.A. Ahlrich  
SECRETARY

STATE OF TEXAS,

COUNTY OF NUECES.

I, James Williams, a Notary Public, do hereby certify that on this the 12th day of September, 1972 personally appeared before me Ernest J. Botard who declared he is President of the corporation executing the foregoing document, and being first duly sworn, acknowledged that he signed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

s/James Williams  
NOTARY PUBLIC, NUECES COUNTY, TEXAS  
James Williams

**ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF  
NUECES ELECTRIC COOPERATIVE, INC.**

Pursuant to the provisions of Article 1528b, (Section 26) the undersigned corporation adopts the following amendment to its Articles of Incorporation which provides for a new Article XI limiting the liability of its directors.

ARTICLE ONE.       The name of the corporation is NUECES ELECTRIC COOPERATIVE, INC.

ARTICLE TWO.       The following amendment to the Articles of Incorporation was adopted by the shareholders of the corporation on September 27, 1988.

Article XI (11) of the Articles of Incorporation reads as follows:

A.       Directors of the corporation shall not be liable to the corporation or its members for monetary damages for an act or omission (sic) in the director's capacity as a director except that this article does not eliminate or limit the liability of a director for:

- (1)       a breach of a director's duty of loyalty to the corporation or its shareholders or members;
- (2)       an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- (3)       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.
- (4)       an act or omission for which the liability of a director is expressly provided for by statute; or
- (5)       an act related to an unlawful stock repurchase or payment of a dividend.

B.       This article applies only to an act or omission occurring on or after August 31, 1987.

It appearing that more than five (5) percent of the members of such corporation having appeared either in person or in proxy at the meeting held on the 27th day of September, 1988, and the same having been duly noticed and such action having been taken by a majority vote of those members,

the action of the Corporation is certified by the undersigned authorities, on this the 17th day of October, 1988.

NUECES ELECTRIC COOPERATIVE, INC.

By: s/John W. Turcotte  
President

s/Ramiro De La Paz  
Secretary

THE STATE OF TEXAS }

COUNTY OF NUECES }

This instrument was acknowledged before me on the 17th day of October, 1988 by JOHN W. TURCOTTE, President and RAMIRO DE LA PAZ, Secretary, of NUECES ELECTRIC COOPERATIVE, INC., a Texas Corporation, on behalf of said corporation.

s/Lynda Jennings  
Notary Public in and for the State of Texas  
My Commission Expires: 11-30-88

**ARTICLES OF AMENDMENT  
TO THE ARTICLES OF INCORPORATION OF  
NUECES ELECTRIC COOPERATIVE, INC.**

Pursuant to the provisions of Section 26 of the Electric Cooperative Corporation Act, the undersigned Corporation adopts the following Articles of Amendment to its Articles of Incorporation:

**ARTICLE I**

The name the Corporation is: Nueces Electric Cooperative, Inc.

**ARTICLE II**

The following amendment to the Articles of Incorporation was adopted by the members of the Corporation on September 24, 1996, and is in addition to the Amended Articles of Incorporation, and the full text of the provision added reads as follows

**ARTICLE II**

3. The Corporation shall have the power and authority to participate in the organization and establishment of tax exempt organizations within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as Amended, whose sole purpose shall be to distribute assets to other qualifying Section 501(c)(3) organizations. In this regard, the Corporation shall further have the power and authority to contribute assets to any organization as authorized above provided the sole source of such assets is voluntary contributions from the members of the Cooperative. The Cooperative shall have the authority to adopt policies, procedures, guidelines, and such programs which are desired or necessary to collect such voluntary contributions from its members for distribution to any organization created by the Corporation as authorized above.

**ARTICLE III**

More than five percent (5%) of the members of the Corporation appeared either in person or by proxy at the meeting held on September 24, 1996, and the above amendments were adopted by a majority vote of those members at such meeting

The action of the Corporation is certified by the undersigned authorities on the 28th day of October, 1996.

NUECES ELECTRIC COOPERATIVE, INC.

By: /s/John W. Turcotte  
John W. Turcotte, President

ATTESTS:

By: /s/Ramiro De La Paz  
Ramiro De La Paz, Secretary

STATE OF TEXAS:

COUNTY OF NUECES

This instrument was acknowledged before me on the 28th day of October, 1996, by John W. Turcotte as President and Ramiro De La Paz as Secretary of the Corporation.

/s/Lynda Jennings  
NOTARY PUBLIC/STATE OF TEXAS

My Commission Expires: 11/30/2000

ARTICLES OF AMENDMENT  
TO THE ARTICLES OF INCORPORATION OF  
NUECES ELECTRIC COOPERATIVE, INC.

Pursuant to the provisions of Sections 161.151 and 161.152 of the Electric Cooperative Corporation Act, the undersigned Corporation adopts the following articles of Amendment to its Articles of Incorporation.

**ARTICLE I**

The name of the Corporation is: Nueces Electric Cooperative, Inc.

**ARTICLE II**

The Amendment, which was adopted by the members of the corporation on October 24, 2000, deletes Article VII of the Articles of Incorporation in its entirety and replaces it with the following:

**ARTICLE VII**

The determination of membership matters is reserved to the Board of Directors by the By-Laws of the Corporation.

**ARTICLE III**

More than five percent (5%) of the members of the Corporation appeared either in person or by proxy at the meeting held on October 24, 2000, and the above amendments were adopted by a majority vote of those members at such meeting.

The action of the Corporation is certified by the undersigned authorities on this 30<sup>th</sup> day of October, 2000.

NUECES ELECTRIC COOPERATIVE, INC.

By: s/John W. Turcotte  
John W. Turcotte, President

ATTEST:

By: s/Ramiro De La Paz  
Ramiro De La Paz, Secretary                      SEAL

STATE OF TEXAS                                      §  
COUNTY OF NUECES   §

This instrument was acknowledged before me on the 30<sup>th</sup> day of October, 2000, by John W. Turcotte as President and Ramiro De La Paz as Secretary of the Corporation.

Commission Expires 11/30/2004                                      s/Lynda Jennings  
Notary Public/STATE OF TEXAS