

Wagner County

ARTICLES OF INCORPORATION

OF

South Kentucky Rural Electric
Cooperative Corporation

Capital Stock, \$

Non-stock

Organization Tax \$

Filed and Certificate Issued.

OCT 15 1938

Day of

1938

Recording Fee, \$

2.00

paid.

~~Ed. D. Arnett~~

SECRETARY OF STATE

Secretary of State

By

C. H. Kite

Chief Clerk Corporation Dept.

Recorded in Corporation

Book No.

144

Page

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M. H. A.

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ARTICLES OF INCORPORATION

OF

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE
CORPORATION.

The incorporators whose names are hereunto signed, being natural persons and citizens of the Commonwealth of Kentucky, have executed these Articles of Incorporation for the purpose of forming a cooperative corporation not organized for pecuniary profit pursuant to the "Rural Electric Cooperative Corporation Act" which was passed by the General Assembly of Kentucky at Special Session, 1936, and approved on January 18, 1937, in accordance with the following provisions:

ARTICLE I

The name of the Corporation shall be "South Kentucky Rural Electric Cooperative Corporation."

ARTICLE II

The purposes or purposes for which the Corporation is formed are to promote and encourage the fullest possible use of electric energy available by production, transmission or distribution or both, to or by otherwise securing the same for the inhabitants of and persons in rural areas of the Commonwealth of Kentucky at the lowest cost consistent with sound business methods and prudent management of the business of the Corporation and also by making available to the said inhabitants as aforesaid electrical devices, equipment, wiring, appliances, fixtures and supplies and all kinds of tools, equipment and machinery (including any fixtures or property or both which may by its use be conducive to a more complete use of electricity or electric energy) operated by electricity or electric

energy and, without limiting the generality of the foregoing.

(a) To generate, manufacture, purchase, acquire and accumulate electric energy for its members and non-members to the extent permitted by the Act under which the corporation is formed and to transmit, distribute, furnish, sell and dispose of such electric energy to its members and non-members to the extent permitted by the Act under which the corporation is formed 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, supplies, apparatus, equipment and electric transmission and distribution on lines or systems necessary, convenient or useful 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 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 moneys 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 do and perform, either for itself or its members 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, and to exercise any of its powers anywhere.

ARTICLE III

The principal office of the Corporation shall be located at Monticello, in the County of Wayne, Commonwealth of Kentucky.

ARTICLE IV

The operations of the Corporations are to be conducted in the Counties of Wayne, Clinton, McCreary, Russell and Pulaaki, and with the permission of the Public Service Commission of Kentucky in such other counties as such operations may from time to time become necessary or desirable in the interest of this Corporation or of its members.

ARTICLE V

The number of directors of the Corporation shall be five. 7,

ARTICLE VI

The names and post office addresses of the directors who are to manage the affairs of the Corporation until the first annual meeting of the members or until their successors shall have been elected and shall have qualified, are as follows:

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
<u>G. P. Rice</u>	<u>Monticello, Ky.</u>
<u>J. H. McKee</u>	<u>" "</u>
<u>L. G. Hemminger</u>	<u>Slater, Ky.</u>
<u>Walter Dalton</u>	<u>Susie, Ky.</u>
<u>Felix Dunagan</u>	<u>Jourietonville, Ky.</u>
<u>R. H. Hemminger</u>	<u>Mill Springs, Ky.</u>
<u>W. P. West</u>	<u>" " Ky.</u>

ARTICLE VII

The duration of the Corporation is: perpetual.

ARTICLE VIII

Section 1. The Corporation shall have no capital stock, and the property rights and interests of each member shall be equal.

Section 2. The subscribers to these Articles of Incorporation shall be members of the Corporation. In addition to the undersigned incorporators any person, firm, association, corporation business trust, partnership or body politic may become a member in the Corporation by ; (a) paying in full such membership fee as shall be specified in the By-laws of the Corporation; (b) agreeing to comply with and be bound by these Articles of Incorporation and the By-laws of the Corporation and any amendments thereto and by such rules and regulations of the Corporation; provided, however, that no person, firm, association, corporation, business trust, partnership or body politic accepted for membership by the members at any meeting thereof, shall become a member in the Corporation unless and until he or it has been accepted for membership by the affirmative vote of a majority of the members of the Board of Directors of the Corporation.

Section 3. Each member shall, as soon as electric energy shall be available, purchase from the Corporation monthly not less than the minimum amount of electric energy which shall from time to time be determined by a resolution of the Board of Directors of the Corporation and shall pay therefor, and for all additional electric energy used by such member, the price which from time to time shall be fixed therefor by resolution of the Board of Directors. 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 4. The Board of Directors may, by the affirmative vote of not less than two-thirds (2/3rd) of the members thereto, expel any member of the Corporation who shall have violated or refused to comply ~~ix~~ with any of the provisions of the Articles of Incorporation or the By-laws of the Corporation or any rules or regulation adopted from time to time by the Board of Directors.

Section 5. Any member of the Corporation may withdraw from membership upon payment in full of all of his debts and liabilities to the Corporation and upon compliance with and performance of such terms and conditions as the Board of Directors may prescribe.

Section 6. Memberships in the Corporation and the certificates representing the same shall not be transferable, and upon the death, cessation of existence, expulsion or withdrawal of a member, the membership of such members shall thereupon terminate and his or its certificate of membership shall be surrendered to the Corporation. Subject to the payment of all debts and liabilities of a member of the Corporation, upon the death, cessation of existence, expulsion or withdrawal of a member and the surrender of his or its membership cert-

ificate, the Corporation shall pay to such member or his personal representative, an amount equal to the value of his or its membership as appraised by the Board of Directors. The termination of membership by death, cessation of existence, expulsion or withdrawal shall not release the members from the debts or liabilities of such member to the Corporation.

Section 7. 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 the Articles of Incorporation or the By-laws of the Corporation. Such certificate shall be signed by the President and by the Secretary of the Corporation and shall be sealed with its corporate seal.

Section 8. No membership shall be issued for less than the membership fee specified in the By-laws of the Corporation, nor until such membership fee has been fully paid for in cash and such payment has been deposited with the Treasurer of the Corporation.

Section 9. No member may own more than one membership in the Corporation and each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at any meeting of the members of the Corporation.

Section 10. At all meetings of members a member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after sixty (60) days from the date of its execution, and the proxy so appointed may not vote at any meeting other than the one designated in the proxy or any adjournment or adjournments of such meeting.

ARTICLE IX.

Section 1. The By-laws of the Corporation may fix

such other terms and conditions upon which members 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.

Section 2. The Board of Directors shall have power to make and adopt such rules and regulations not inconsistent with these Articles of Incorporation or the By-laws of the Corporation as it may deem advisable for the management, administration and regulation of the business and affairs of the Corporation.

Section 3. Neither the Incorporators nor any other member of the Corporation shall be personally responsible for any debt, obligation or liability of the Corporation.

Section 4. The Directors of the Corporation shall be members thereof.

ARTICLE X

Subject to the provisions of any mortgage given by the Corporation and within sixty (60) days after the expiration of each fiscal year the Board of Directors, after paying or providing for the payment of all operating expenses of the Corporation including any amount for prospective operating expenses for a reasonable period, and all interest and installments on account of the principal of notes, bonds or other evidences of indebtedness of the Corporation which shall have become due and unpaid, or which shall have accrued at the end of the fiscal year but which shall not be then due, and after paying or making provision for the payment of all taxes, insurance and all other non-operating expenses which shall have become due and be unpaid and all taxes, insurance and all other non-operating expenses

which shall have accrued at the end of the fiscal year but which shall not be then due, shall apply the revenues and receipts of the Corporation remaining thereafter for the following purposes and in the following order of priority:

1. the establishment and maintenance of a reserve for the payment of interest on and principal of all outstanding notes, bonds or other evidences of indebtedness of the Corporation in an amount which shall equal the amount of principal and interest required to be paid in respect of such notes, bonds or other evidences of indebtedness during the ensuing fiscal year;
2. the establishment and maintenance of a general reserve fund for working capital, insurance, taxes, depreciation, obsolescence, and contingencies in an amount which the Board of Directors shall deem reasonable;

~~all~~ all revenue and receipts not needed for the above and foregoing purposes shall be returned, paid or abated to the members as a patronage dividend or refund on the basis and in the manner provided in the Act under which the Corporation is organized; provided, however, that in no case shall any such patronage dividend or refund be returned, paid or abated to any member who is indebted to the Corporation until such indebtedness is paid or arrangements in respect thereof satisfactory to the Board of Directors shall have been made.

ARTICLE XI

The Corporation may amend, alter, change or repeal

any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.

IN WITNESS WHEREOF, we hereunto subscribe our names this 1 day of Oct, 1938.

Ray Clark
G. P. Rice
H. J. Frost
D. J. ...
W. M. ...
L. G. ...
W. D. ...
W. H. ...
W. H. ...
Thomas ...

STATE OF KENTUCKY
COUNTY OF WAYNE

I, G. White, a Notary Public in and
for said county and state do hereby certify that this instrument
of writing was this day produced before me in said county and
state by Ray Oath - G. P. Rice - W. J. West - J. W. McEachern
M. J. Keenan - L. G. Deussen - W. Dutton - A. V. Stearns
R. J. Stenning
and Felix Stenning each and all of whom in due form of
law acknowledged that they executed same as their free act and
deed.

Given under my hand this October 8, 1938.

G. White
Notary Public, Wayne County,
Kentucky.

My commission expires
on 15 day of Jan 1940