

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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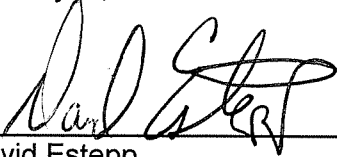
IN THE MATTER OF:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR AUTHORIZATION)
TO BORROW \$872,900.24 FROM COBANK AND)
EXECUTE NECESSARY NOTES AND TO REPAY)
COOPERATIVE FINANCE CORPORATION NOTES)
IN THE SAME AMOUNT)

CASE NO. 2011-00408

Enclosed you will find an original and ten copies of the Articles of Incorporation and amendments thereto of Big Sandy Rural Electric Cooperative Corporation.

Thank you,



David Estep
President & General Manager

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PUBLIC SERVICE
COMMISSION

Commonwealth of Kentucky
Department of State



Office of Secretary of State

KENNETH F. HARPER
SECRETARY
FRANKFORT, KENTUCKY

CERTIFICATE

I, KENNETH F. HARPER, Secretary of State for the Commonwealth of Kentucky, do certify that the foregoing writing has been carefully compared by me with the original record thereof, now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of
Articles of Incorporation of BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION, filed September 5, 1940.

IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official seal

Done at Frankfort this 16th day of
September, 1971

Kenneth F. Harper
Secretary of State, Commonwealth of Kentucky

By *Paula F. Begley*
Assistant Secretary of State

ARTICLES OF INCORPORATION

AUG 1940

536

OF

DIG SANDY 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 19, 1937, in accordance with the following provisions:

ARTICLE I

The name of the Corporation shall be "Dig Sandy Rural Electric Cooperative Corporation".

ARTICLE II

The purpose or purposes for which the Corporation is formed are to promote and encourage the fullest possible use of electric energy in the Commonwealth of Kentucky by making 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 and persons 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 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 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, 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, 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 Act under which the Corporation is formed, and to exercise any of its powers any where.

ARTICLE III

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

ARTICLE IV

The operations of the Corporation are to be conducted in the Counties of Floyd, Johnson, Pike and Magoffin, and 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 no less than five (5) nor more than eleven (11). Unless otherwise provided in the bylaws, the number of directors shall be seven (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:

<u>Name</u>	<u>Post Office Address</u>
Hilt Stanley	Bonanza, Kentucky.
Glenn C. Burchett	Woods, Kentucky.
Melvin Frasure	Grothol, Kentucky.
Luther Conley	Swamp Branch, Kentucky.
Ingram Leslie	Mossy Bottom, Kentucky.
Cort Daniels	River, Kentucky.
D. J. Gambill	Thelma, Kentucky.

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

- (a) paying the membership fee specified in the bylaws;
- (b) agreeing to purchase from the Corporation electric energy as specified in the bylaws; and

(c) agreeing to comply with and be bound by these articles of incorporation and the by-laws of the Corporation 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 in the manner provided in the bylaws. 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 3. Membership in the Corporation shall be terminated by death, cessation of existence, expulsion or withdrawal of the member as provided in the bylaws of the Corporation. Termination of membership in any manner shall operate as a release of all right, title and interest of the member in the property and assets of the Corporation; provided, however, that such termination of membership shall not release the member or his estate from the debts or liabilities of such member to the Corporation.

Section 4. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority

of the members voting thereon in person or by proxy, except as otherwise provided by law, or these Articles of Incorporation. No proxy shall be valid after sixty (60) days from the date of its execution, and the person so appointed may not vote at any meeting other than the one designated in the proxy or any adjournment or adjournments of such meeting. No person shall vote as proxy for more than three (3) members at any meeting of the members except upon the question of amendment of the Articles of Incorporation to increase the number of counties in which the Corporation may operate or on the question of mortgaging or otherwise encumbering any of the Corporation's property to secure loans made or to be made to the Corporation by the United States of America or any agency or instrumentality thereof, in either of which cases a person may hold an unlimited number of proxies. If a husband and wife hold a joint membership, they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

Section 5. The private property of the members of the Corporation shall be exempt from execution for the debts of the Corporation and no member or incorporator shall be individually liable or responsible for any debts or liabilities of the Corporation.

Section 6. 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 the Corporation is organized.

ARTICLE IX

Section 1. The board of directors shall have power to

make and adopt such rules and regulations not inconsistent with these articles of incorporation or the bylaws of the Corporation as it may deem advisable for the management, administration and regulation of the business and affairs of the Corporation.

Section 2. Directors of the Corporation shall be members thereof.

ARTICLE X

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 31 day of August, 1940.

Mitch Stanley
John C. Buckner
Walter W. ...
Luther ...
Harold ...
Carl ...
D. J. ...

STATE OF KENTUCKY)
) SS.
COUNTY OF FLOYD)

I, Lillie H. Parker, a Notary Public in and for said county and state do hereby certify that this instrument of writing from Hilt Stanley, Glenn C. Burchett, Melvin Frasure, Luther Conley, Ingram Leslie, Cort Daniels and D. J. Gambill, was this day produced to me by the above parties and was acknowledged by the said Hilt Stanley, Glenn C. Burchett, Melvin Frasure, Luther Conley, Ingram Leslie, Cort Daniels, and D. J. Gambill to be their act and deed.

Given under my hand and seal this 31 day of August, 1940.

My commission expires September 3, 1942.

Lillie H. Parker
Notary Public in and for Floyd
County, Kentucky.

EXAMINED AND APPROVED, THIS 31ST DAY OF AUGUST,
1940

George Glenn Holder
Secretary of State, Commonwealth of Kentucky

J SCOTT PRESTON
P O BOX 1361

ANNA D. MELVIN
P O BOX 1361

(606) 789-7211

RICE, PRESTON, BROWN

ATTORNEYS AT LAW
517 SECOND STREET

PAINTSVILLE, KENTUCKY 41240

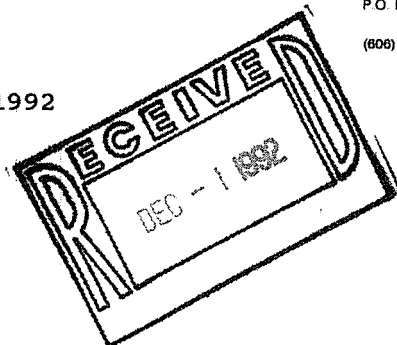
FAX No. 606-789-5252

EUGENE C. RICE
P O BOX 896

LARRY G. BROWN
P O BOX 1394

(606) 789-8251

November 30, 1992



Mr. Bill Wells
Big Sandy RECC
P. O. Box 1746
Paintsville, KY 41240

RE: Articles of Amendment

Dear Bill:

Please find enclosed an original of the Big Sandy Rural Electric Cooperative Corporation's amendment which should be kept with the corporate records. A duplicate copy has been placed on file with the Johnson County Court Clerk's office. If there is anything further, please let me know.

Very truly yours,


J. SCOTT PRESTON

JSP/das

Enclosure

RECEIVED & FILED

Nov 19

9 45 AM '92

SECRETARY OF STATE

BY *Sandra Keagy*

ARTICLES OF AMENDMENT OF

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

The undersigned, President of Big Sandy Rural Electric Cooperative Corporation, pursuant to the provisions of KRS 273.267 files the following Articles of Amendment:

ARTICLE ONE: The name of the corporation is Big Sandy Rural Electric Cooperative Corporation.

ARTICLE TWO: The amendment so adopted is set forth as follows:

ARTICLE TWO of the Corporation's Articles of Incorporation shall be amended to read as follows:

AMENDED ARTICLE TWO: The purpose or purposes for which the corporation is formed are to promote and encourage the fullest possible use of electric energy in the Commonwealth of Kentucky by making electric energy available by production, transmission or distribution or both to or by otherwise acquiring the same for the inhabitants of and persons in the designated service areas of the Commonwealth of Kentucky now or hereafter amended 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 and persons electrical devises, wiring, appliances, fixtures and supplies and all kinds of tools, equipment and machinery including fixtures or property or both which may by its use be conducive to or 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 and 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, create, purchase lease as lessee and any manner acquire, own, hold, maintain, operate, sell and dispose of lease as lessor, exchange or mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out encompassing 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 and 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 and plumbing appliances, fixtures, machinery, supplies apparatus, and equipment of any and al 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 therefore;

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, 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 Act under which the Corporation is formed and to exercise any of its powers any where.

ARTICLE THREE: That the above styled amendment to the Articles of Incorporation was duly adopted by the Board of Directors at its regular meeting and that the amendment to the Articles of Incorporation was approved by an unanimous vote. Further, at the annual meeting of the members held on June 17, 1992, the Amended Article of Incorporation was approved by the members at which a quorum was present by unanimous vote.

Dated this 18 day of November, 1992.




PRESIDENT, BIG SANDY RURAL
ELECTRIC COOPERATIVE CORPORATION

STATE OF KENTUCKY

COUNTY OF JOHNSON

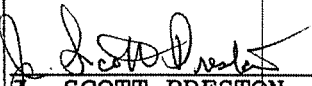
Subscribed and sworn to before me by BILL WELLS, PRESIDENT OF BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION on this the 18 day of November, 1992.

My commission expires: August 5, 1994.



NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY:



J. SCOTT PRESTON
ATTORNEY AT LAW
PAINTSVILLE, KY 41240