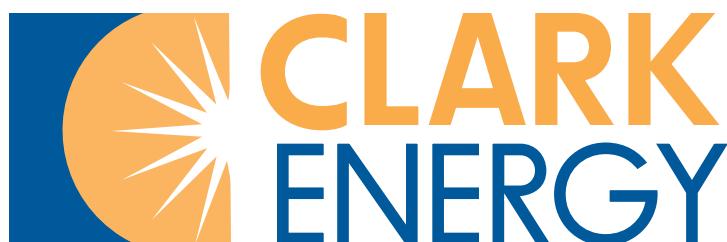


**RULES,
REGULATIONS
& BYLAWS**

of

**Clark Energy
Cooperative**



A Touchstone Energy® Cooperative 

January 2026

CLARK ENERGY COOPERATIVE RULES AND REGULATIONS

as filed with the Kentucky Public Service Commission

All of the following Rules and Regulations were approved by the Public Service Commission. It is important that you review them carefully. The changes are designed so that charges for service are more equitable for the entire membership of the Cooperative.

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1. SCOPE

This Schedule of Rules and Regulations is a part of all contracts for receiving electric service from the Cooperative and applies to all service received from the Cooperative whether the service received is based upon a contract, agreement, signed application, or otherwise. No employee or individual director of the Cooperative is permitted to make an exception to rates or Rules and Regulations. Rates and service information can be obtained from the Cooperative's office or Cooperative personnel.

2. REVISIONS

These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time after approval of Clark Energy's Board of Directors and the Public Service Commission. Such changes when effective shall have the same force as the present Rules and Regulations. The Members shall be informed of any changes as soon as possible, after adoption by the Board of Directors, through the Cooperative's monthly newsletter, or direct mailing.

3. CONSUMER'S RESPONSIBILITY FOR COOPERATIVE'S PROPERTY

All meter, service connections, and other equipment furnished by the Cooperative shall be, and remain, the property of the Cooperative. The member shall exercise proper care to protect the property of the Cooperative on its premises; and in the event of loss or damage to the Cooperative's property arising from neglect of the member to care for same, the cost of necessary repairs or replacement shall be paid by the member.

4. CONTINUITY OF SERVICE

The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy, but if such a supply should fail or be interrupted or become defective through act of God, or the public enemy, or by accident, strikes, labor troubles, or by action of the elements, or permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable.

5. RELOCATION OF LINES

The Cooperative will cooperate with all political subdivisions in the construction, improvement, or rehabilitation of public streets and highways. It is expected that these political subdivisions will give reasonable notice to permit the Cooperative to relocate its lines to permit the necessary road construction.

If the Cooperative's poles, anchors, and other appurtenances are located within the confines of the public right(s)-of-way, the Cooperative shall make the necessary relocation at its own expense. If the Cooperative's poles, anchors, or other facilities are located on private property, the political subdivision then shall agree to reimburse the Cooperative. Upon request by member-property owner, where facilities are to be relocated, relocation will be considered provided adequate right-of-way can be obtained for the relocation requested. The member-owner will be required to pay the cost of materials necessary to make the requested changes unless one or more of the following conditions are met:

1. The relocation is made for the convenience of the Cooperative.
2. The relocation will result in a substantial improvement in the Cooperative's facilities or their location.
3. That the relocation is associated with other regularly scheduled conversion or construction work and can be done at the same time.
4. Per member-owner request when right-of-way is provided. In such instance member-owner will be required to pay for materials to make requested changes.

6. SERVICES PERFORMED FOR MEMBERS

The Cooperative's personnel shall not while on duty make repairs or perform service to the member's equipment or property except in cases of emergency or to protect the public or member's person or property. When such emergency services are performed, the member shall be charged for such service(s) at the rate of time and material(s) used.

7. APPLICATION FOR SERVICE

Each prospective member desiring electric service will be required to sign the Cooperative's "Application for Membership and for Electric Service," also, sign a contract when applicable, before service is supplied by the Cooperative and provide the Cooperative with necessary easements or right(s)-of-way permits over property owned by the prospective customer.

8. MEMBERSHIP FEE

No membership fee is required to become a member of the Cooperative.

9. RIGHT OF ACCESS

Each member shall give and grant right of access to the Cooperative without paid compensation to his, hers, or its lands and premises for the purpose of meter reading, placing, locating, building, constructing, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending and maintaining on, over, or under such lands and premises, or removing therefrom its electric distribution system new or existing lines, wires, poles, anchors, and other necessary or appurtenant parts.

10. DISCONTINUANCE OF SERVICE OR CHANGE OF SERVICE LOCATION

Any member requesting discontinuance of service, or change of service from one location to another, shall give the Cooperative three (3) days' notice in person, in writing, or by telephone provided such notice does not violate contractual obligations.

11. CHARGES FOR MEMBER REQUESTED RECONNECTION

The Cooperative will make no charge for connecting service or discontinuance of service. There shall be a fee of \$25 for each service connection thereafter occurring more frequently than once each twelve-month period for the member.

12. RESALE OF POWER BY MEMBER

All purchased electric service used on the premises of the member shall be supplied exclusively by the Cooperative, and the member shall not directly or indirectly sell, sublet, or otherwise dispose of the electric service or any part thereof, except by written contract.

13. TEMPORARY SERVICE

Facilities that are temporary in nature such as for construction contractors, sawmills, oil wells, carnivals, etc. will be provided to consumers desiring such facilities, provided they pay an advance fee equal to the reasonable cost of providing and removing such facilities.

14. DISTRIBUTION LINE EXTENSION

1. Normal Extensions. An extension of 1,000 feet or less shall be made by the Cooperative to its existing distribution line without charge for a prospective consumer who shall apply for and contract to use the service for one (1) year or more and provides guarantee for such service. The "service drop" to the point of attachment from the distribution line at the last pole shall not be included in the foregoing measurements.
2. Other Extensions.
 - a. When an extension of the Cooperative's line to serve an applicant or group of applicants amounts to more than 1,000 feet per consumer, the Cooperative may, if not inconsistent with its filed tariff, require the total cost of the excessive footage over 1,000 feet per consumer to be deposited with the Cooperative by the applicant or applicants based on the average estimated cost per foot of the total extension.

- b. Each consumer receiving service under such extension will be reimbursed under the following plan: Each year for a period of not less than ten (10) years, which for the purpose of this rule shall be the refund period, the Cooperative shall refund to the consumer or consumers who paid for the excessive footage the cost of 1,000 feet of the extension in place for each additional consumer connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. In no case shall the total amount refunded exceed the amount paid the Cooperative. After the end of the refund period, no refund will be required to be made.
 - c. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of not less than ten (10) years the Cooperative shall refund to the applicant who paid for the extension a sum equivalent to the cost of 1,000 feet of the extension installed for each additional consumer connected during the year, but in no case shall the total amount refunded exceed the amount paid to the Cooperative. After the end of the refund period from the completion of the extension, no refund will be required to be made.
 - d. Nothing contained herein shall be construed as to prohibit the Cooperative from making extensions under different arrangements provided such arrangements have been approved by the Commission.
 - e. Nothing herein shall be construed as to prohibit the Cooperative from making at its expense greater extensions than herein prescribed, should its judgment so dictate, provided like free extensions are made to other consumers under similar conditions.
 - f. Upon complaint to and investigation by the Commission, the Cooperative may be required to construct extensions greater than 1,000 feet upon a finding by the Commission that such extension is reasonable.

15. DISTRIBUTION LINE EXTENSIONS TO MOBILE HOMES

1. All extensions of up to 300 feet from the nearest facility shall be made without charge.
2. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the Cooperative may charge an advance equal to the reasonable costs incurred by it for that portion of the service beyond 300 feet.
3. This advance shall be refunded to the consumer over a four (4) year period in equal amounts for each year the service is continued.
4. If the service is discontinued for a period of sixty days, or should the mobile home be removed and another not take its place within 60 days, or be replaced by a permanent structure, the remainder of the advance shall be forfeited.
5. No refunds shall be made to any consumer who did not make the advance originally.
6. For extensions beyond 1,000 feet from the nearest facility, the extension policies are the same as normal distribution line extensions.
7. When homeowner installs an approved septic system and water supply service will be considered permanent service and a normal line extension.

16. DISTRIBUTION LINE EXTENSION TO PERMANENT STRUCTURES AND/OR FACILITIES OTHER THAN RESIDENCES (BARNs, WATER PUMPS, ELECTRIC GATES, ETC.)

1. The Cooperative will extend service to structures and facilities other than residences under the following conditions:
 - a. Adequate right-of-way easement to construct extension will be made available to the cooperative.
 - b. All fees including the membership fee to be paid at the time of application for service.
 - c. Extensions of up to 300 feet from the nearest facility shall be made without additional charge for line construction.
 - d. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the utility may charge an advance equal to the reasonable costs incurred by it for that portion of the service beyond 300 feet.
 - i. This advance shall be refunded to the consumer over a four (4) year period in

equal amounts for each year the service is continued.

- ii. If the service is discontinued for a period of 60 days, or should the facility be removed and another not take its place within 60 days, or be replaced by a permanent structure, the remainder of the advance shall be forfeited.
- iii. No refunds shall be made to any consumer who did not make the advance originally.
- iv. Structures must be wired and pass electrical inspection prior to construction of the extension.

2. Extensions made under item e shall be made on an "Estimated Average Cost" per foot of line. This cost may be revised and updated at six (6) month intervals.
3. For line extensions beyond 1,000 feet from the nearest facility, the extension policies are the same as normal distribution line extensions.
4. The Cooperative retains full ownership of all extensions and electrical facilities installed by the Cooperative.

17. ELECTRIC UNDERGROUND EXTENSIONS

1. Purpose of Policy. The purpose of this policy is to formulate Clark Energy's requirements for underground electrical service, the application of which will insure adequate service and safety to all persons engaged in the construction, maintenance, operation, or use of underground facilities and to the public in general.
2. Applicability. This policy shall apply to all underground electrical supply facilities used in connection with electric service distribution in new residential subdivisions after the effective date of this policy.
3. Definitions. The following words and terms, when used in this policy shall have the meaning indicated:

Applicant: the developer, builder, or other person, partnership, association, corporation, or governmental agency applying for the installation of an underground electric distribution system.

Building: a structure enclosed within exterior walls or fire walls, built, erected, and framed of component structural parts.

Distribution System: electric service facilities consisting of primary and secondary conductors, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.

Subdivision: the tract of land which is divided into ten (10) or more lots for the construction of new residential buildings.

Trenching and Backfilling: opening and preparing the ditch for the installation of conductors, raceways, including placing of raceways under roadways, driveways, or paved areas; providing a sand bedding below and above conductors when required; and backfill of trench to ground level.

4. Rights of Way and Easements

- a. The Cooperative shall construct, own, operate, and maintain distribution lines only along easements, public streets, roads, and highways which are by legal right accessible to the utility's equipment and which the utility has the legal right to occupy, and on the public lands and private property across which rights of way and easements satisfactory to the Cooperative are provided without cost or condemnation by the Cooperative.
- b. Rights-of-way and easements suitable to the cooperative for the underground distribution facilities must be furnished by the Applicant in reasonable time to meet service requirements. The Applicant shall make the area in which the underground distribution facilities are to be located accessible to the Cooperative's equipment, remove all obstructions from such area, stake to show property lines and final grade, perform rough grading to a reasonable approximation of final grade, and maintain clearing and grading during construction by the Cooperative. Suitable land rights shall be granted to the Cooperative obligating the Applicant and subsequent property owners to provide continuing access to the utility for operation, maintenance or replacement of its facilities, and to prevent any encroachment in the utility's easement or substantial changes in grade or elevation thereof.

5. Installation of Underground Distribution System Within New Subdivisions

- a. Where appropriate contractual arrangements have been made, the Cooperative shall install within the subdivision an underground electric distribution system of sufficient capacity and suitable materials which, in its judgment, will assure that the property owners will receive safe and adequate electric service for the foreseeable future.
- b. All single phase conductors installed by the utility shall be underground. Appurtenances such as transformers, pedestal mounted terminals, switching equipment, and meter cabinets may be placed above ground.
- c. Multi-phase primary mains or feeders required within a subdivision to supply local distribution or to serve individual multi-phase loads may be overhead unless underground is required by governmental authority or chosen by the Applicant, in either of which case the differential cost of underground shall be borne by the Applicant.
- d. The Applicant will be required to supply and install all conduit, perform all necessary trenching and backfilling in accordance with the Cooperative's specifications.

- e. Underground line extensions will be provided per the same rules and regulations as overhead line extensions. No additional fees will be charged for new underground line extensions.
- f. Plans for the location of all facilities to be installed must be approved by the Cooperative and the Applicant prior to construction. Alterations in plans by the Applicant which require additional cost of installation or consideration shall be at the sole expense of the Applicant.
- g. The Cooperative shall not be obligated to install any facility within a subdivision until satisfactory arrangements for the payment of charges have been completed by the Applicant.
- h. The charges specified in these rules are based on the premise that each Applicant will cooperate with the utility in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible and make satisfactory arrangements for the payment of the above charges prior to the installation of the facilities.

i. All electrical facilities shall be installed and constructed to comply with the rules and regulations of the Public Service Commission, National Electric Safety Code, Clark Energy Specifications, or other rules and regulations which may be applicable.

j. Service pedestals and method of installation shall be approved by Clark Energy prior to installation.

k. In unusual circumstances, when the application of these rules appears impracticable or unjust to either party, or discriminatory to other customers, the Cooperative or Applicant shall refer the matter to the Commission for a special ruling or for the approval of special conditions which may be mutually agreed upon prior to commencing construction.

18. DISCONTINUANCE AND REFUSAL OF SERVICE

The Cooperative may refuse or terminate service to an applicant or member, after proper notice for failure to comply with the Cooperative's tariffed rules and regulations; Commission regulations; outstanding indebtedness; noncompliance with state, local, or other codes; refusal to permit access; or failure to pay bills. If disconnect is for failure to comply with Cooperative's tariffed rules and regulations; Commission regulations; noncompliance with state, local, or other codes; or refusal to provide access, the member shall be given 10 days' notice advance termination notice that complies with 807 KAR 5:006, Section 13 (5). If disconnect is for failure to pay bill, the member shall be given ten (10) days' written notice and cutoff shall be effected not less than 27 days after the mailing date of the original unpaid bill. If a dangerous condition is found to exist on the member's premises, which could subject any person to imminent harm or result in substantial damage to the property of the Cooperative or others, service shall be refused or terminated without advance notice. The Cooperative shall notify the member immediately in writing and, if possible, orally of the reasons for the termination. Such notice shall include the corrective action to be taken by the member or Cooperative before service can be restored.

The Cooperative may terminate service to a member without advance notice if the Cooperative has evidence that a member has obtained unauthorized service by illegal use or theft. The consumer will be notified within 24 hours after such termination in accordance with 807 KAR 5:006, Section 14(1)(3)(g).

The termination notice requirements of this subsection, pursuant to KAR 5:006, Section 14(2)(c), shall not apply to a particular residential member when prior to discontinuance of service that person presents to the Cooperative a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty 30 days from the date the utility notifies the customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office(s) to contact for such possible aid.

19. RECONNECTION

The Cooperative in all cases of refusal or discontinuance of service as herein defined where the cause for refusal or discontinuance of service has been corrected and tariffed rules and regulations of the Cooperative and the Commission have been complied with, the Cooperative shall reconnect existing service within 24 hours and shall install and connect new service within 72 hours.

When advance notice is required, such notice may be given by the Cooperative by mailing by United States mail, postage prepaid, to the last known address of the applicant or member.

20. METER TESTS

The Cooperative will, at its own expense, make periodical tests and inspections of all its meters in order to maintain a high standard of accuracy and to conform with the regulations of the Public Service Commission. The Cooperative will make additional tests of the meter at the request of the member provided a fee of \$30 is paid in advance. In case the test made at the member's request shows that the meter is accurate within two percent (2%), fast or slow, no adjustment will be made in the member's bill, and the fee paid will be forfeited to cover the cost of testing. In case the test shows the meter is in excess of two percent (2%), fast or slow, an

adjustment will be made in the member's bill in accordance with the Public Service Commission's Rules and Regulations.

21. FAILURE OF METER

In the event the meter should fail to register, the member shall be billed for the period starting at the date of failure. If the date of meter failure cannot be determined with reasonable precision, information such as last meter test and historic usage pattern for the member will be used to determine period of underbilling and to adjust the member's account. If that data is not available, then average usage of similar member loads will be used in calculating time period and adjustment. If the consumer and the Cooperative are unable to agree on an estimate of the time period during which the error existed, the Commission shall determine the issue. The Cooperative will not require member repayment of underbilling to be made over a period shorter than a period coextensive with the underbilling.

22. CONSUMER EQUIPMENT

Point of delivery—The point of delivery is the point as designated by the Cooperative on member's premises where current is to be delivered to building or premises; namely, the point of attachment. A member requesting a delivery point different from the one designated by the Cooperative will be required to pay the additional cost of providing the service at such delivery point. All wiring and equipment beyond this point of delivery shall be supplied and maintained by the member.

23. MEMBER OR CONSUMER'S WIRING STANDARDS

All wiring of member or consumer must conform to Cooperative requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Code. The Cooperative, however, assumes no responsibility in respect to the type, standard of construction, protective equipment, or the condition of the member's property, and will not be liable for any loss or injury to persons or property occurring on the premises or property of the member. The member will have complete responsibility for all construction, operation, and maintenance beyond the meter.

24. INSPECTION

The Cooperative shall inspect any installation before electricity is introduced, or at any later time, and reserves the right to reject any wiring or appliances not in accordance with the National Electrical Code or other governing bodies, but such inspection or reject shall not render the Cooperative liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of the Cooperative's rules, or from accidents which may occur upon member's premises.

25. BILLING

The Cooperative will mail through the United States Postal Service a statement to each member for electrical service each month for service rendered the previous month. All charges are net and payable within (10) days from the date of the statement. Failure to receive a statement will not release the member from payment obligations.

26. FIELD COLLECTION CHARGE

A charge of \$30 will be assessed when a Cooperative representative makes a trip to the premises of a consumer for the purpose of terminating service. The charge may be assessed if the Cooperative representative actually terminates service or if, in the course of the trip, the consumer pays the delinquent bill to avoid termination. The charge may also be made if the Cooperative representative agrees to delay termination based on the customer's agreement to pay the delinquent bill by a specific date. The Cooperative may make a field collection charge only once in any billing period.

27. RECONNECTION CHARGE FOR DISCONNECTION OF SERVICE

If service is disconnected for non-payment of bills or violation of the utility's rules or commission regulations, a charge of \$40 will be made for reconnecting service due and payable at time of such reconnection. If the reconnection is done after regular working hours, the charge will be \$65.

28. DEPOSITS

The Cooperative may require a minimum cash deposit or guaranty to secure payment of bills, except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the deposit. The required deposit is to accumulate interest, as prescribed by KRS 278.460, and will be refunded or credited to the customer's bill on an annual basis by the Cooperative, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a member's showing of satisfactory credit or payment history, and required deposits will be returned after 18 months if the member has established a satisfactory payment record for that period. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Cooperative may require a deposit in addition to the initial deposit if the member's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final

bill with any remainder refunded to the member. In determining whether a deposit will be required or waived, the following criteria will be considered:

1. Previous payment history with the Cooperative.
2. A satisfactory credit report rating.
3. Whether the member has filed bankruptcy proceedings within the last seven years. If a deposit is held longer than 18 months, the member will be notified in writing by a general mailer or bill stuffer that the member may request in writing that the deposit be recalculated on member's actual usage. If the deposit differs by more than \$10, the Cooperative may collect any underpayment and shall refund any overpayment by check or credit to the member's bill. No refund will be made if the bill is delinquent at the time of the recalculation.

All members' deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12 month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed 2/12 of the customer's actual or estimated annual bill where bills are rendered monthly or 3/12 where bills are rendered bimonthly.

29. RETURN CHECK CHARGE

The Cooperative will apply to a member's account a charge of \$25 for each member's check returned to the Cooperative.

30. MONITORING OF CUSTOMER USAGE

At least once annually the Cooperative will monitor the usage of each customer according to the following procedures:

1. The member's annual usage for the most recent 12-month period will be compared with the annual usage for the 12 months immediately preceding that period.
2. If the annual usage for the two (2) periods is substantially the same or if any difference is known to be attributed to unique circumstances, such as unusual weather conditions, common to all members, no further review will be done.
3. If the annual review indicates KWH usage to be 200% higher or 50% lower and it cannot be attributed to a readily identified cause, the Cooperative will compare the member's monthly usage for the same months of the preceding year.
4. If the cause for the usage deviation cannot be determined from an analysis of the customer's meter reading and billing records, the Cooperative will contact the customer by telephone or in writing to determine whether there have been any changes such as number of household members or work staff, additional or different appliances, or changes in business operations.
5. Where the deviation cannot be otherwise explained, the Cooperative will test the member's meter to determine whether it shows average error greater than two percent (2%) fast or slow.
6. The Cooperative will notify the customers of the investigation, its findings, and any refunds or backbilling in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the annual monitoring, the Cooperative will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or member inquiry. Any accounts that are determined to have unusually high usage or unusually low usage will be processed in accordance with 808 KAR 5:006, Section 10(4) and (5).

31. LEVELIZED BILLING PAYMENT PLAN

OBJECTIVE: To establish a procedure to equalize a member's bill based on the latest 12 months usage without accumulating a large credit or debit balance on the account.

A. Availability. Available to all Clark Energy Cooperative residential members who have received service at their present location for one (1) year and have their account paid up to date.

B. Terms of Policy.

1. Member's accounts may be set up on leveled billing during the months of March through October.
2. The leveled billing plan may be canceled by the member at any time.
3. The member agrees to pay the leveled billing amount specified by the billing due date each month or the account will revert to regular billing.

C. How the Levelized Billing Payment is determined:

1. The billing kWh is calculated by adding the current kWh usage, from the meter readings, and the previous 11 months of kWh usage and dividing by 12.
2. Billing charges are calculated on the 12 month kWh average including outside lighting when applicable.
3. Any debit or credit deferred amount will be annualized and will be added or subtracted from the monthly leveled billing amount.

32. SERVICE CURTAILMENT PROCEDURE GUIDE

INTENT: This document is meant to serve as a guide for Clark Energy personnel when mandatory energy curtailment becomes necessary. However, it must be understood that the infinite number of variables involved with such action can never be completely accounted for in any document of this nature; thus, flexibility in actual procedures must be afforded Clark personnel

as they go about the tasks outlined in this document.

1. Determination of the Level of Curtailment Necessary:
 - a. Determine the nature of power shortage from power supplier.
 - b. Determine which substations would be affected.
 - c. Determine expected length of time curtailment necessary.
 - d. Determine amount of curtailment necessary.
2. Determination of Personnel:
 - a. Determine type of personnel needed.
 - b. Determine number of personnel needed.
3. Execution:
 - a. Evoke emergency load curtailment procedures with customers that have interruptible rates.
 - b. Seek voluntary curtailment with other commercial customers.
 - c. Direct media appeal to all customer classes.
 - d. Disconnect all non-essential loads. Essential loads include, but are not limited to, police, fire, primary health care services, local government offices, emergency warning systems, schools, communications facilities, and other facilities operated for public safety.
4. Records: Proper records will be maintained.

33. SERVICE RESTORATION PROCEDURE GUIDE

INTENT: This document is meant to serve as a guide in restoration of electric service due to damage which might be incurred during severe weather; such as, high winds, tornadoes, or other acts of nature, and the unpredictable negative acts of man. However, it must be understood that the infinite number of variables involved in natural and man-made disasters can never be completely accounted for in any document of this nature; thus, flexibility in actual procedures must be afforded Clark personnel as they go about the tasks outlined in this document.

1. Determinations of the level of involvement:
 - a. Determine the number and location of consumers that are affected by the outage.
 - b. Determine the number and location of circuits involved.
 - c. Determine the level of priority for the affected circuits.
 - i. Dangerous or potentially life-threatening situations.
 - ii. Hospital and health care facilities and other emergency operations.
 - iii. Members with health priorities.
 - iv. Main distribution lines.
 - v. Isolated outages at homes or businesses.
 - vi. Other facilities; such as, barns, silos, etc.
2. Determination of Work Crews:

Determining the level of involvement will indicate the work force required to restore electrical service in a safe and timely manner. This plan breaks down the levels of response into five groups; however, due to the many variables on an emergency situation, management will exercise appropriate flexibility in the assignment of and makeup of crews.

Level 1 Normal service restoration—crew or crews made up of the standby personnel that are dispatched to repair service.

Level 2 Includes Level 1 plus the additional off-duty personnel to direct or assist in the restoration of service.

Level 3 Includes Level 2 with the addition of support personnel; such as, but not limited to, engineering, warehouse, vehicle maintenance, office staff, etc.

Level 4 Includes Level 3 with the assistance of contracted power line construction personnel.

Level 5 Includes Level 4 with a request for assistance through the activation of the statewide emergency work plan.

3. Service Restoration Procedure:

Upon notification of service interruption or report of a hazardous condition to the 24-hour dispatch center, a service interruption report will be completed and repair personnel will be informed of the outage or hazardous condition's location. Upon arrival at the source of the service interruption, the service crew will determine the safest and most efficient manner in which to restore service. If additional personnel or equipment is needed, the crew shall report back to the dispatcher or the Outage Coordinator who shall determine the level of response to initiate. In all cases, communications will take place before restoration or energizing of lines occurs.

4. Extraordinary Outage Conditions:

Upon receiving indications of more service outages than available manpower will allow; a timely response to determine the degree of hazard or work required for repairs will be made by dispatching qualified personnel to survey outage conditions. The survey personnel will evaluate the extent of the damage and report to the Outage Coordinator their estimates of manpower and equipment requirements, estimated repairs, and any safety recommendations. All extraordinary outage conditions will be reported to the Kentucky Public Service Commission in accordance with appropriate requirements by the President and Chief Executive Officer.

5. Records:

Outage and repair records will be maintained at all times.

CLARK ENERGY COOPERATIVE BYLAWS

ADOPTED AT A REGULAR MEETING OF THE BOARD OF DIRECTORS

The aim of Clark Energy Cooperative, hereinafter called the “Cooperative,” is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

Article I—MEMBERSHIP

- § 1.01 Eligibility
- § 1.02 Application for Membership
- § 1.03 Acceptance into Membership
- § 1.04 Joint Membership
- § 1.05 Conversion of Membership
- § 1.06 Membership Fee and Other Deposits or Fees
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ARTICLE I MEMBERSHIP

SECTION 1.01. Eligibility. Any person, firm, association, corporation, or body politic or political subdivision, or agency thereof (each hereinafter referred to as “person,” “applicant,” “him,” or “his”) shall be eligible to become a member of, and, at one or more premises owned or directly occupied or used by him, to receive electric service from Clark Energy Cooperative (hereinafter called the “Cooperative”); however, no person shall hold more than one membership in the Cooperative.

SECTION 1.02. Application for Membership. Application for membership—wherein the applicant shall agree to purchase electric power and energy from the Cooperative and be bound by and to comply with all provisions of the Cooperative’s Articles of Incorporation, Bylaws, and all rules, rate schedules, and regulations adopted by the Board of Directors pursuant thereto (the obligations embraced by such agreement being hereinafter called “membership obligations”)—shall be made in writing on such form as is provided therefore by the Cooperative. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefore by the Cooperative. The membership application shall be accompanied with any service security deposit, service connection deposit or fee, facility extension fee, or contribution in aid of construction (hereinafter referred to as other deposits or fees) that may be required by the Cooperative, which fees and other deposits shall be refunded in the event the application is denied by the Board.

SECTION 1.03. Acceptance into Membership. Upon complying with the requirements set forth in Section 1.02, any applicant shall automatically become a member on the date of his connection for electric service; PROVIDED, that the

Board of Directors may by resolution deny an application and refuse to extend service upon its determination that the applicant is not willing or is not able to satisfy and abide by the Cooperative’s terms and conditions of membership or that such application should be denied for other good cause; PROVIDED FURTHER, that any person whose application, for 60 days or longer, has been submitted but not denied by the Board of Directors and who has not been connected by the Cooperative for electric service, by filing written request therefore with the Cooperative at least 30 days prior to the next meeting of the Board of Directors, shall have his application submitted to and approved or disapproved by a vote of the Directors at such meeting.

SECTION 1.04. Joint Membership. A husband and wife may apply for a joint membership. The words, “member,” “applicants,” “persons,” “his,” and “him” as used in these Bylaws shall include a husband and wife applying for or holding a joint membership, unless clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities, and liabilities of membership shall apply equally, severally, and jointly to them.

SECTION 1.05. Conversion of Membership. Any membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder to comply with the Articles of Incorporation, Bylaws, and rules and regulations adopted by the Board.

A joint membership may be converted to a single membership upon the written request of a party to the joint membership and by the party who shall hold the single membership agreeing to comply with the Articles of Incorporation, Bylaws, and rules and regulations adopted by the Board.

Upon the death of either spouse who is a party to a joint membership, such membership shall be held solely by the survivor. On any type of conversion of a membership

the capital credits of the former membership shall pass to the new membership created by the conversion.

SECTION 1.06. Membership Fee and Other Deposits or Fees. No membership fee is required to become a member of the Cooperative. Payment of deposits required shall entitle the member to one service connection. A service connection deposit or fee in such amount as may be prescribed by Clark Energy Cooperative and any other deposits or fees required by Clark Energy Cooperative shall be paid by the member for each additional service connection requested by him.

SECTION 1.07. Termination of Membership. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may but only after due hearing if such is requested by him, by the majority vote of the Board expel a member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules, or regulations adopted by the Board. Any expelled member may be reinstated by the vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, for a period of six (6) months, may be canceled by resolution of the Board.

Upon the withdrawal, death, cessation of existence, or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

SECTION 1.08. Service to Non-Members. The Cooperative shall render service to its members only; provided, however, that service may be rendered upon the same terms and conditions as are applicable to members, to governmental agencies, and political subdivisions, and to other persons not in excess of ten per centum (10%) of the number of its members; and provided further, that should the Cooperative acquire any electric facilities dedicated or devoted to the public use it may, for the purpose of continuing service and avoiding hardship and to an extent which together with all other persons served by the Cooperative on a non-member basis shall not exceed 40% of the total number of persons served by the Cooperative, continue to serve the persons served directly from such facilities at the time of such acquisition without requiring that such persons become members, and provided further that such non-members shall have the right to become members upon nondiscriminatory terms.

SECTION 1.09. Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts. The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board of Directors may in writing waive such requirements, and shall pay therefore at the times, and in accordance with the rules, regulations, rate classifications, and rate schedules (including any monthly minimum account that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment by him for service from the Cooperative may in the discretion of the Cooperative be applied to any of his outstanding accounts.

SECTION 1.10. Excess Payments to be Credited as Member-Furnished Capital. All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article VII of these Bylaws.

SECTION 1.11. Access to Lands, Premises and Easements. Without being paid compensation thereof each member shall grant and give to the Cooperative free access to his, her, or its lands and premises including the necessary written easements for the purpose of placing, locating, building, constructing, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending and maintaining on, over or under such lands and premises, or removing therefrom its electric distribution system, new or existing of lines, wires, poles,

anchors, and other necessary or appurtenant parts thereof. The Board of Directors may expel from membership and/or discontinue electric service to any member who fails or refuses to comply with the provisions of this Bylaw.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 2.01. Property Interest of Members. Upon dissolution of the Cooperative, after all debts and liabilities of the Cooperative shall have been paid; and, all capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members who made application therefore within one (1) year in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten (10) years next preceding the date of the filing of the certificate of dissolution.

SECTION 2.02. Non-liability for Debts of the Cooperative. The private property of the members shall be exempt from either execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III MEETING OF MEMBERS

SECTION 3.01. Annual Meetings. The annual meeting of the members shall be held each year in one of the counties in Kentucky within which the Cooperative serves at such place and beginning at such hour, as the Board of Directors shall from year to year determine. It shall be the responsibility of the President and C.E.O. to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time and place shall not work as a forfeiture or dissolution of the Cooperative.

SECTION 3.02. Special Meetings. A special meeting of the members may be called by the Board of Directors, by any five (5) directors or by petition signed by not less than 20% of the then-total members of the Cooperative, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place in one of the counties in Kentucky within which the Cooperative serves, on such date, not sooner than 35 days after the call for such meeting is made or a petition therefore is filed, and beginning at such hour as shall be designated by him or those calling or petitioning for the same.

SECTION 3.03. Notice of Member Meetings. Written or printed notice of the place, day, and hour of the meeting and, the purpose or purposes of said meeting including an agenda shall be delivered to each member not less than ten (10) days nor, except as provided in Article VIII, more than 60 days prior to the date of the meeting, either by mail or newspaper advertisement in a newspaper or newspapers circulated within the service area, at the direction of the President or the Secretary (or, in the case of a special meeting, at the direction of those calling the meeting). Any such notice delivered by mail may be included with member service billings or as an integral part of or with the Cooperative's monthly newsletter and/or its monthly insert, if any, in the *Kentucky Living*. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid not later than 4:30 p.m. on the 10th day prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive a notice deposited in the mail addressed to the member at his address as shown on the Cooperative's books shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

SECTION 3.04. Quorum. Business may not be transacted at any meeting of the members unless there are present in person properly registered at least 100 members of the Cooperative, except that, if less than a quorum is present at any meeting, a majority of those present in person may without further notice adjourn the meeting to another time and date not less than 45 days later and at any place in one of the counties in Kentucky within which the Cooperative serves; PROVIDED, that the Secretary shall notify any absent members of the time, date, and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present in person.

SECTION 3.05. Voting. Each member shall be entitled to only one vote upon

each matter submitted to a vote at any meeting of the members. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote on behalf of the non-natural person member. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws.

SECTION 3.06. Proxies Prohibited. Voting by Proxy is prohibited by these Bylaws.

SECTION 3.07. Agenda. No proposal shall be voted upon at the Annual Meeting unless it has been placed on the agenda at least 40 days prior to such meeting. Any legitimate proposal may be placed on the agenda by any member by filing a copy of each proposal signed by at least 50 other members with the Secretary within the time allowed, with a request that it be submitted to the Annual Meeting for consideration.

SECTION 3.08. Order of Business. The order of business at the Annual Meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

- (a) Report on the number of members present in person in order to determine the existence of a quorum;
- (b) Reading of the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meeting as the case may be;
- (c) Consideration of approval of minutes of previous meetings of the members and the taking of necessary action thereon;
- (d) Presentation and consideration of reports of officers, directors, and committees;
- (e) Report on the election of directors;
- (f) Unfinished business;
- (g) New business as proposed within Section 3.07 guidelines, and
- (h) Adjournment.

ARTICLE IV **DIRECTORS**

SECTION 4.01. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine (9) directors which shall exercise all of the powers of the Cooperative except such as are by law, or by the Cooperative's Articles of Incorporation, or Bylaws conferred upon or reserved to the members.

SECTION 4.02. Election and Tenure of Office. Directors shall be elected according to the provisions of Article IV of the Bylaws for terms of four years according to the following schedule:

2026	2027	2029
District 1	District 5	District 2
District 4	District 7	District 3
District 8	District 9	District 6

Directors from each District shall continue to be elected for four year terms on the same rotating schedule listed above.

All contested elections shall be by secret ballot. Board members shall serve until the annual meeting in the year during which their term expires and until their successors have been elected and qualified subject to the provisions of these Bylaws as to removal of directors.

If an election of board members shall not be announced on the day designated herein for the Annual Meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of announcing the election of board members within a reasonable time thereafter. Board members shall be elected by a plurality vote of the members.

SECTION 4.03. Qualifications. Directors of Clark Energy Cooperative shall:

- (a) Be a member of good standing of the Cooperative and receive service therefrom at his/her primary residential abode within the district from which he/she is elected.
- (b) Not be a close relative of an incumbent director or of an employee or retiree of the Cooperative, East Kentucky Power Cooperative Corporation, any member cooperative of East Kentucky Power Cooperative Corporation, or a competing utility company or a subsidiary of any of the above. A "close relative" is defined as either a spouse, child, step-child, grandchild, step-grandchild, parent, step-parent, grandparent, step-grandparent, brother, step-brother, sister, step-sister, or a spouse of any listed above or persons unmarried to each other but who are cohabitating.
- (c) Not be employed or have been employed within the last seven (7) years by the Cooperative, East Kentucky Power Cooperative Corporation, any member cooperative of East Kentucky Power Cooperative Corporation or a competing utility company or a subsidiary of any of the above, nor be a close relative of someone so employed or previously employed.
- (d) Not having drawn retirement benefits, disability benefits, or worker's compensation benefits from the Cooperative, East Kentucky Power Cooperative Corporation, any member cooperative of East Kentucky Power Cooperative Corporation, or a

competing utility company or a subsidiary of any of the above for a period of seven (7) years, whether as an employee, former employee, or close relative of either.

- (e) Not become a candidate for or hold an elective public office while serving as a director of Clark Energy Cooperative.
- (f) Not become a candidate for director of the Cooperative while holding an elective public office.

All persons elected as a Director shall attain the status of an Accredited Cooperative Director by NRECA within four (4) years of his/her election as a Director or he/she shall be ineligible to thereafter serve as a Director of Clark Energy Cooperative, Inc.

Upon establishment of the fact that a nominee for a director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Provost of the Director election to disqualify such nominee. Upon the establishment of the fact that any person already holding a directorship in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to cause him/her to be removed as director. Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

All members of the Board of Directors and their spouses are prohibited from doing any business with the Cooperative other than the normal purchase of power.

SECTION 4.04. Districts. The territory served or to be served by the Cooperative shall be divided into nine (9) districts, giving due consideration to roads, streams, or other logical district lines and other proper factors. Each district shall be represented by one (1) board member. The present boundaries of said nine (9) districts shall be as follows:

District 1

All assigned service territory in Madison County, Kentucky (*and now represented on the Board of Directors by Bobby Russell*).

District 2

All assigned service territory in Powell County, Kentucky, which is encompassed in the following boundary: Beginning at the common corner of Clark, Powell, and Estill counties; thence in an easterly direction with the Powell/Estill County line which is Red River, as it meanders to its intersection with the Mountain Parkway; thence in an easterly direction with the Mountain Parkway a short distance to its intersection with Hardwicks Creek Road; thence in a northerly direction with Hardwicks Creek Road to its intersection with 12th Street in Clay City, Kentucky; thence in a northerly direction with 12th Street in Clay City, Kentucky; thence in a northeasterly direction, a short distance to Kentucky Highway 15; thence in an easterly direction with Kentucky Highway 15 to Red River near Turkey Knob; thence in a northerly direction with the meanders of Red River to Old Clay City Road; thence leaving any roadway or river in a northerly direction to the Montgomery County line at a point just east of Toler Mountain; thence in a northwesterly direction with the Montgomery/Powell County line to the intersection with the Clark County line; thence continuing in a southerly direction with Powell/Clark County line to the point of beginning (*and now represented on the Board of Directors by Steve Hale*).

District 3

All assigned service territory in Estill and Wolfe counties, Kentucky, and all assigned service territory in Powell County, Kentucky, which is not included in Districts 2 and 4, and basically being the southern part of Powell County, which is encompassed in the following boundary: Beginning at the common point where Powell, Clark, and Estill counties adjoin; thence in a basically southeasterly direction with the Powell/Estill County line to its intersection with Lee County; thence in an easterly direction with the Powell/Lee County line to its intersection with Wolfe County; thence in a northeasterly direction with the Powell/Wolfe County line to the common corner of Wolfe, Powell, and Menifee counties; thence in a northwesterly direction along the Menifee/Powell County line to its intersection with Upper Cane Creek Road; thence in a southeasterly direction with Upper Cane Creek Road to Cane Creek Road; thence continuing in a southeasterly direction with Cane Creek Road to Kentucky Highway 15; thence in a westerly direction with Kentucky Highway 15 to 12th Street in Clay City, Kentucky; thence in a southwesterly direction with 12th Street in Clay City, Kentucky, to Hardwick's Creek Road; thence continuing in a southwesterly direction with Hardwick's Creek Road to the Mountain Parkway; thence in a northwesterly direction, a short distance, with the Mountain Parkway to Red River; thence meandering in a westerly direction with Red River to the point of beginning (*and now represented on the Board of Directors by Dewey Hollon*).

District 4

All assigned service territory in Powell County, Kentucky, which is encompassed in the following boundary: Beginning at a point in Kentucky Highway 15 in Powell County, Kentucky, near Turkey Knob; thence in an easterly direction with Kentucky Highway 15 to a point where Kentucky Highway 15 intersects with Cane Creek Road; thence in a northeasterly direction with Cane Creek Road to Upper Cane Creek Road; thence in a northerly direction with Upper Cane Creek Road to the Menifee/Powell County line; thence in a northwesterly direction with Powell/Menifee County line to

the intersection of the common corner between Montgomery, Menifee, and Powell counties; thence in a westerly direction with the Montgomery/Powell County line to a point just east of Toler Mountain; thence leaving any roadway or other defined monument in a southerly direction to the intersection of the Old Clay City Road and Red River; thence in a southeasterly direction with Red River to the point of beginning (*and now represented on the Board of Directors by Gale Means*).

District 5

All assigned service territory in Rowan and Morgan counties, Kentucky, and all assigned service territory in Bath and Menifee counties, Kentucky, which is encompassed in the following boundary: Beginning at a point at the intersection of Indian Creek with Powell and Menifee counties; thence in a southeasterly direction along the Menifee/ Powell County line to the intersection with Wolfe County; thence in an easterly direction with the Menifee/Wolfe County line to the Tower Rock area; thence along the territorial boundary between Clark Energy Cooperative, Inc. and Licking Valley RECC, first in a northerly direction and thence in an easterly direction to the intersection of the Menifee and Morgan County line; thence first in a northeasterly direction with the Menifee/ Morgan County line to the intersection with Rowan County and Cave Run Lake; thence leaving Cave Run Lake along the territorial boundary between Clark Energy Cooperative, Inc. and Grayson RECC, first in a northerly direction and then turning a westerly direction and continuing with the territorial boundary between Clark Energy Cooperative, Inc. and Grayson RECC, to where Grayson RECC territory ends; thence continuing with the territorial boundaries between Clark Energy Cooperative, Inc. and various other utility suppliers in a westerly direction to a point which intersects with Kentucky Highway 36 in Olympia, Kentucky; thence in a southerly direction with Kentucky Highway 36 to Stonequarry Road; thence with Stonequarry Road in a southwesterly direction to Sim Long Branch Road; thence in a southeasterly direction to Sim Long Branch Road; thence in a southeasterly direction with Sim Long Branch to US Highway 460 to Kentucky Highway 713 (Indian Creek Road); thence in a southwesterly direction with Indian Creek Road to the intersection of Indian Creek Road with Patrick Cemetery Road; thence meandering in a southerly direction with Patrick Cemetery Road to the intersection of Patrick Cemetery Road with Amos Cut Road; thence continuing with Amos Cut Road in a southerly direction to its intersection with Amos Ridge Road (near the pipeline crossing); thence leaving the road in a straight line in a southeasterly direction from the intersection of Patrick Cemetery Road and Amos Ridge Road to the Jewell Cemetery on McCausey Ridge Road; thence in a straight line in a southeasterly direction from the Jewell Cemetery on McCausey Ridge Road to the intersection of East Fork Indian Creek with Morgan Hollow Creek; thence meandering in a southwesterly direction with East Fork Indian Creek to the intersection of East Fork Indian Creek with East Fork Powell Branch; thence meandering in a southwesterly direction with East Fork Powell Branch to the intersection of East Fork Powell Branch with Indian Creek to the point of beginning (*and now represented on the Board of Directors by Allen Patrick*).

District 6

All assigned service territory in Montgomery, Menifee, and Bath counties, Kentucky, which is encompassed in the following boundary: Beginning at a point in Kentucky Highway 11 at the Montgomery/Powell County line; thence in an easterly direction with the Montgomery/Powell County line; to the common point between Montgomery, Menifee, and Powell counties; thence in a southeasterly direction with the Powell/ Menifee County line to the intersection of Indian Creek; thence in a northerly direction with Indian Creek to the intersection of Indian Creek with East Fork Powell Branch; thence meandering in a northeasterly direction with East Fork Powell Branch to the intersection of East Fork Powell Branch with East Fork Indian Creek; thence meandering northeasterly with East Fork Indian Creek to the intersection of East Fork Indian Creek with Morgan Hollow Creek; thence northwesterly in a straight line from the intersection of East Fork Indian Creek with Morgan Hollow Creek to the Jewell Cemetery on McCausey Ridge Road; thence continuing northwesterly in a straight line from the Jewell Cemetery on McCausey Ridge Road to the intersection of Amos Ridge Road with Amos Cut Road (near the pipeline crossing); thence in a northerly direction first with the Amos Cut Road to the intersection with the Patrick Cemetery Road; thence meandering with the Patrick Cemetery Road in a northerly direction to its intersection with Indian Creek Road; thence in a northeasterly direction with Indian Creek Road (Kentucky Highway 713) to U.S. Highway 460; thence in a northwesterly direction with U.S. Highway 460 to the intersection of Sim Long Branch Road; thence in a northwesterly direction with Sim Long Branch Road to its termination; thence continuing in a northeasterly direction to Stonequarry Road; thence in a northerly direction with Stonequarry Road to Kentucky Highway 36; thence in a northerly direction with Kentucky Highway 36 to Olympia, Kentucky; thence with the territorial boundaries with various utilities in a westerly direction to the Montgomery/Bath County line; thence in a southerly direction with the Bath/Montgomery County line to Spencer Road at Hope, Kentucky; thence in a westerly direction with Spencer Road (Kentucky Highway 713) to its intersection with McCormick Road; thence in a southwesterly direction along McCormick Road to its intersection with U.S. Highway 460; thence in a southeasterly direction with U.S. Highway 460 to Camargo-Levy Road;

thence in a southerly direction with the Camargo-Levy Road to the Sawmill Road; thence continuing in a southerly direction with Sawmill Road to Kentucky Highway 11; thence in a southerly direction with Kentucky Highway 11 to the point beginning (*and now represented on the Board of Directors by Walter Ballard Jr.*).

District 7

All assigned service territory in Montgomery, Bourbon, and Bath counties, Kentucky, which is encompassed in the following boundary: Beginning at the common point where Montgomery, Powell, and Clark counties intersect; thence in an easterly direction with the Powell/Montgomery County line to its intersection with Kentucky Highway 11; thence in a northerly direction with Kentucky Highway 11 to the Sawmill Road; thence continuing in a northerly direction with Sawmill Road to the Camargo-Levy Road; thence continuing in a northerly direction with the Camargo-Levy Road to U.S. Highway 460 at Camargo, Kentucky; thence in a northwesterly direction with U.S. Highway 460 to McCormick Road; thence in a northeasterly direction along McCormick Road to its intersection with Kentucky Highway 713 (Spencer Road); thence in an easterly direction with Spencer Road to the Montgomery/Bath County line at Hope, Kentucky; thence in a northwesterly direction near the Montgomery/Bath County line but extending into Bath County with the territorial boundary to the Bourbon County line; thence in a westerly direction with the territorial boundary to Kentucky Highway 627; thence in a southerly direction with Kentucky Highway 627 to the Clark County line; thence in an easterly direction with the Bourbon/Clark County line to the Montgomery County line; thence in a southeasterly direction with the Montgomery/Clark County line to the point of beginning (*and now represented on the Board of Directors by O.H. Caudill*).

District 8

All assigned service territory in Clark County, Kentucky, which is encompassed in the following boundary: Beginning at the point where Upper Howard's Creek intersects the Clark/Madison County line; thence in an easterly direction with the Clark/Madison County line to where Madison County adjoins Estill County; thence in an easterly direction with the Clark/Estill County line to the common corner of Clark, Powell, and Estill counties; thence in a northerly direction with the Clark/Powell County line to the Clark/ Montgomery County line; thence in a northwesterly direction with the Clark/ Montgomery County line to where it intersects with the Bourbon County line; thence in a westerly direction with the Clark/Bourbon County line to its intersection with Kentucky Highway 627; thence in a southerly direction with Kentucky Highway 627 and the territorial boundary to the abandoned C&O Railroad right-of-way just west of the Clark Energy Headquarters Building; thence in a southeasterly direction with the watershed between Dry Fork Creek and Big Stoner Creek in Clark County, Kentucky, to a point where Kentucky Highway 89 intersects with the Ruckerville Road; thence in a southerly direction with Ruckerville Road to the second intersection with the L&N Railroad; thence in a southeasterly direction with the railroad to Dry Fork Creek Road; thence in a southeasterly direction with Dry Fork Creek Road to Upper Howard's Creek; thence in a southerly direction with Upper Howard's Creek to the point of beginning (*and now represented on the Board of Directors by Everett Curry*).

District 9

All assigned service territory in Fayette County, Kentucky, and all assigned territory in Clark and Bourbon counties, Kentucky, which is encompassed in the following boundary: Beginning at the common corner between Clark, Madison, and Fayette counties; thence in an easterly direction with the Clark/Madison and Fayette counties; thence in an easterly direction with the Clark/Madison County line (which is the Kentucky River) to the intersection of Upper Howard's Creek with the Kentucky River; thence with Upper Howard's Creek in a northerly direction to its intersection with Dry Fork Creek Road; thence in a northerly direction with Dry Fork Creek Road to the L&N Railroad; thence in a northeasterly direction with the L&N Railroad to the intersection with Ruckerville Road; thence in a northerly direction with Ruckerville Road to the intersection of Kentucky Highway 89 and Ruckerville Road; thence in a northwesterly direction with the watershed between Dry Fork Creek and Big Stoner Creek in Clark County, Kentucky, to a point at the intersection of Kentucky 15 and the abandoned C&O Railroad right-of-way just west of the Headquarters Building of Clark Energy Cooperative; thence in a northerly direction with the territorial boundary of Clark Energy Cooperative and Kentucky Utilities, to the Bourbon County line; thence extending into Bourbon County on Kentucky Highway 627 in a northwesterly direction to a point just south of Paris, Kentucky; thence with the territorial boundary of Clark Energy Cooperative and Kentucky Utilities in a southerly direction to a point just west of the common corner between Bourbon, Fayette, and Clark counties; thence continuing with the territorial line between Clark Energy Cooperative and Kentucky Utilities in basically a southern direction with the territorial boundary to the point of beginning (*and now represented on the Board of Directors by Mary S Shearer*).

SECTION 4.05 Nominations.

(a) It shall be the duty of the Board of Directors to appoint no later than close of business on the 50th day prior to the Annual Meeting of the members nor more than

120 days prior to the Annual Meeting of the members, a Committee of Nominations consisting of nine (9) members of the Cooperative, with one member being appointed from each district.

No officer or member of the Board of Directors of the Cooperative shall be appointed a member on the Committee of Nominations.

(b) It shall be the responsibility of the Committee on Nominations to select a candidate to run for office of Director for each district to fill the vacancy caused by the expiration of a Director's term. The Committee on Nominations shall prepare and post its nominations in a conspicuous manner in the lobby of the Cooperative Headquarters building no later than close of business on the 45th day prior to the date set for the Annual Meeting, at which the election of Directors shall be announced.

Any 50 or more qualified members of any district may, by written or printed petition, make other nominations from the membership of their district for the office of Director, by affixing their signatures and addresses to the petition. In no event shall a member sign a petition for more than one (1) candidate. In the event a member signs petitions for more than one (1) candidate, then his signature shall be invalid on all petitions signed by him.

Petition or petitions by qualified members nominating candidates for the Office of Director shall be filed at the Headquarters Office of the Cooperative during regular office hours of the Cooperative, but in no event later than close of business on the 40th day prior to the date set for the Annual Meeting and said nominating petitions shall be posted by the Secretary in a conspicuous manner in the lobby of the Cooperative Headquarters Building not less than 30 days prior to the date set for the Annual Meeting if, after examination by the Provost, it is determined by said Provost that said petition or petitions meet the requirements of the Bylaws, Articles of Incorporation and the laws of the Commonwealth of Kentucky. A cut-off date of 90 days prior to the Annual Meeting shall be established in determining whether a member is in good standing and qualified for the purposes of signing nominating petitions and/or voting in the election of Directors.

SECTION 4.06. Appointment of Provost. The Board of Directors shall have the duty of naming a Provost, who shall be an independent accountant (a) who is a Certified Public Accountant licensed by the Commonwealth of Kentucky and/or (b) who holds an accounting or business degree, to be in charge of Directors' elections.

SECTION 4.07. Duties of Provost Regarding Nominations. The duties of the Provost regarding nominating petitions shall be as follows:

(a) The Provost of the election shall examine and audit the petition or petitions filed by the candidates for election to the office of Director to determine if the petition or petitions comply with the requirements of the Kentucky Revised Statutes, the Articles of Incorporation and these Bylaws.

(b) The Provost is granted the power and authority to pass upon and determine the validity of each of the signatures and addresses on the petition or petitions to determine if those signing are qualified members in good standing of the Cooperative and entitled to vote for the election of Directors.

(c) If the Provost shall disapprove a signature and/or address on a petition or petitions, he shall list same in writing giving the reason or reasons why said signature and/or address was not approved.

(d) The Provost shall determine if the required number of qualified voting members have signed the petition or petitions after having deducted from the petition or petitions the names disapproved by him because the name and/or addresses on said petition or petitions fail to comply with the Kentucky Revised Statutes, the Articles of Incorporation of the Cooperative, or these Bylaws. If the petition or petitions do not contain the signatures and addresses of the required number, then the Provost shall not certify to the Secretary the name or names of the candidates on said petition or petitions to be placed upon the official ballot for the district.

Upon the completion of the examination and audit of the petition or petitions by the Provost, he shall certify to the Secretary of the Cooperative the name or names of those persons properly nominated by petition or petitions so that those so nominated may be listed on the official ballot for the district.

SECTION 4.08. Preparation of Official Ballot. After the Provost has certified the names of the candidates nominated by petition or petitions to be placed upon the official ballot, it shall be the duty of the Secretary to prepare a printed ballot of those persons duly nominated either by the Committee on Nominations or by nominating petition within four (4) days after the nominating petitions are required to be posted. The printed ballot shall list separately the person nominated by the Nominating Committee and those persons nominated by petition in alphabetical order and labeled in such a manner as to note which candidate appears on the ballot by nomination of the Committee on Nominations and which appears on the ballot by nomination by petition. It shall be the further duty of the Secretary to see that the official ballots are mailed to each active and qualified member at his or her address shown on the Cooperative records for those districts which are up for election not later than 21 days prior to said Annual Meeting at which the results of said election are to be announced. A cut-off day of 90 days shall be used in determining whether

a member is in good standing and is qualified to vote in said election.

The official ballot shall be inscribed with instructions by the Secretary of the Cooperative that all official ballots must be returned only by U.S. mail and received by the Provost of the Cooperative or his designee not less than three (3) days prior to said Annual Meeting.

SECTION 4.09. Voting by District. A member who lives within the service territory of the Cooperative shall be considered a "resident member." A member who does not live within the service territory of the Cooperative shall be considered a "non-resident member."

A resident member shall be entitled to vote only in the director election for the district where he resides unless the resident member receives service in more than one district. If a resident member receives service in more than one district he shall be entitled to vote only in the director election for the district where he received the largest usage of electricity for the previous calendar year unless he selects the district where he lives as his voting district by so notifying the Cooperative by February 1 of the year when a director election is scheduled for the district where he lives. Once a resident member who has service in more than one district selects the district where he resides as his voting district he shall be prohibited from changing his voting district unless he moves outside of that district, in which event, he shall then select another voting district.

A non-resident member shall be eligible to vote in a district where he receives service. In the event a non-resident member receives service in more than one district he shall select a voting district. If a non-resident member who receives service in more than one district fails to select a voting district, he shall be entitled to vote only in the director election for the district where he receives the largest usage of electricity for the previous calendar year. Once a non-resident member selects a voting district he shall be prohibited from changing his voting district unless his service is terminated in that district, in which event he shall then select another voting district.

SECTION 4.10. Official Ballots. Each official ballot for each district shall be placed with an envelope labeled Ballot Envelope within a Return Envelope bearing postage prepaid, addressed to the Secretary of the Cooperative or his designee all in a Cover Envelope, all of which shall be mailed by the Provost of the Cooperative to each member eligible to vote in the district.

SECTION 4.11. Execution of Ballot. The official ballot shall be marked by the eligible member and then may be placed in the Ballot Envelope and sealed. The Ballot or the sealed Ballot Envelope, with the official ballot enclosed, shall then be placed in the Return Envelope which is addressed to the Provost with postage prepaid. The Return Envelope shall then be signed by the member in the space provided on the Return Envelope so it can be determined by the Provost whether the person signing the Return Envelope is an eligible voting member of the Cooperative and the district. The Return Envelope shall then be mailed to the Provost of the Cooperative.

The Return Envelope shall be deposited in a locked ballot box or boxes at the Winchester Post Office and remain at said Post Office until called for by the Provost.

SECTION 4.12. Elections. The Provost named by the Board of Directors in charge of Directors' elections, shall count the ballots as expeditiously as may be possible following the placement in his hands of said ballots. The Provost shall give at least 24 hour verbal or written notice to each person nominated for Director the time and date when the counting of the ballots shall commence. During the counting of the ballots only the following persons may be present in the counting room:

- (a)** personnel of the Cooperative directly engaged in the election process;
- (b)** the Provost and his employees
- (c)** a person nominated for Director or one representative of such person properly authorized by the nominee in writing.

After the ballots have been duly counted the results of the elections shall be announced at the subsequent Annual Meeting of members and the person receiving the highest number of votes in each district shall be declared elected and duly sworn by the Cooperative's attorney. In the event of a tie vote, the Director shall be selected by a toss of a coin. The following shall not be counted:

- (a)** A vote marked for more than one candidate;
- (b)** Ballots other than the official ballot;
- (c)** Ballots not received through the United States mail;
- (d)** Ballots arriving late.

SECTION 4.13. Counting of Votes by Provost. The duties of the Provost regarding votes and counting shall be as follows:

- (a)** After the opening of the post office for business on the third (3rd) day prior to the Annual Meeting of the members, but in no event later than 9 a.m. on the morning of the second (2nd) day prior to the Annual Meeting of the members, the Provost shall remove from the United States Post Office at Winchester, Kentucky, the locked ballot box or boxes containing the Return Envelopes and transfer the locked ballot box or boxes to the Headquarters Building of the Cooperative.
- (b)** The Provost shall unlock the box or boxes obtained at the Post Office which

contain the Return Envelopes and examine each Return Envelope to ascertain if it has been properly signed, mailed, and received by the Cooperative at its Post Office Box at least three (3) days before the day of the Annual Meeting.

(c) Any and all Return Envelopes found by the Provost not to conform to the provisions and requirements of these Bylaws shall not be opened but shall be immediately placed in a locked ballot box or boxes labeled "Rejected Returned Envelopes or Ballots" which locked ballot box or boxes shall be retained by the Provost in safe-keeping until 60 days after the date of the completion of the counting of the ballots.

(d) When the unopened Return Envelope is found by the Provost to be in conformity of the provisions and requirements of the Bylaws, the Provost shall see that the membership records are marked so as to indicate the member has voted. The Return Envelopes that are found to be in conformity with provisions and requirements of these Bylaws shall then be placed in a locked ballot box labeled "Accepted Return Envelopes." In the event another unopened Return Envelope is found by the Provost to be from the same voting member, the Provost shall then remove the unopened Return Envelope theretofore approved from the "Accepted Return Envelopes" box and attach to it the second unopened Return Envelope and note on the back of the unopened Return Envelopes the reason for rejection and then place both of the unopened Return Envelopes in the locked ballot box labeled "Rejected Returned Envelopes or Ballots."

(e) A person nominated for Director or his representative may object to the decision of the Provost as to the approval or rejection of any Return Envelopes. If there is an objection to a Return Envelope by a person nominated for Director or his representative, the objected to Returned Envelope shall be placed in a locked ballot box designated "Objected Returned Envelopes or Ballots" with an explanation thereon of the person making the objection and his reasons therefore. The Provost shall then place the remaining Return Envelopes in the lock box or boxes for "Accepted Returned Envelopes." The Provost shall then open the accepted return envelopes and remove the ballot envelope unopened and place same in a locked box labeled "Accepted Ballot Envelopes" until all such accepted return envelopes have been opened. The Provost shall then open the locked box or boxes labeled "Accepted Ballot Envelopes" which contain the unopened official Ballot Envelopes and open each official Ballot Envelope and tabulate all valid votes cast on each official ballot and place the tabulated ballots in a locked ballot box designated "Counted Ballots".

(f) Any official ballot which is deemed invalid by the Provost for reasons set forth in these Bylaws shall be placed by the Provost in the locked ballot box or boxes labeled "Rejected Return Envelopes or Ballots" unless there is an objection by a person nominated for Director or his representative, in which event the ballot for which an objection has been made shall be placed in the "Objected Returned Envelope" box or boxes with an explanation thereon of the person making the objection and his reason therefore.

(g) The Provost shall tabulate all valid votes cast on each official ballot for which there has been no objection made. The Provost shall count the ballots for which an objection has been made only if the number of objected ballots could make a difference in the outcome of the election. If the ballots for which an objection was made could make a difference in the outcome of the election, the Provost shall make his determination as to the validity of the objected ballot(s) and include only the objected ballot(s) he determines to be valid in his final tally. After the Provost's determination as to the validity and tabulation of the objected ballot(s), such ballot(s) shall be returned to the box or boxes labeled "Objected Returned Envelopes or Ballots" which shall be kept locked.

(h) All box or boxes containing ballots shall be kept locked at all times except when the Provost is present.

(i) If the counting of the official ballots has not been completed at the time of adjournment of the counting, all official ballots unopened and uncounted shall be kept in the locked ballot box or boxes by the Provost until the counting of all official ballots is again begun in the presence of the Provost and this procedure shall continue until all valid official ballots have been counted and tabulated.

(j) The decision of the Provost shall be final as to all ballots cast unless there is an objection by the nominee for Director or his representative as above set forth. If a nominee for Director or his representative is not present for the counting of the ballots, the decision of the Provost as to the validity of each ballot shall be final.

(k) The Provost shall place all official and valid ballots which have been counted in a locked ballot box or boxes labeled "Counted Ballots" and shall retain the "Counted Ballots" box or boxes together with the ballot box or boxes labeled "Rejected Returned Envelopes" and the locked ballot box or boxes labeled "Objected Returned Envelopes" unopened in safe-keeping for 60 days from the date of completion of the official counting and tabulating by him.

SECTION 4.14. Certification of Election by Provost. The Provost shall promptly, upon completion of the counting of the membership votes, certify in writing to the Secretary of the Board the names of the candidates and the number of votes received by each and shall also certify the name of the person having been elected as Director of each district.

SECTION 4.15. Procedure for Destroyed Ballot. In the event a voting member in good standing has his, her, or its ballot inadvertently destroyed, or the Return Envelope inadvertently destroyed, or the Cover Envelope with the covered contents therein was not received by the voting member, then upon the voting member having exhibited to the Provost his driver's license or a Social Security card, the Provost shall check the Cooperative's membership list to determine if he, she, or it is a voting member in good standing. The Provost shall then cause the voting member to execute an Affidavit before a Notary Public at the office of the Provost, and if the Provost approves, he may then and there only deliver to the voting member a Return Envelope, a Ballot Envelope, and a ballot. However, no Affidavit, Return Envelope, Ballot Envelope or ballot shall be delivered by the Provost after 5 p.m., on the sixth (6th) day prior to the Annual Meeting.

SECTION 4.16. Custody of Keys to Ballot Boxes. The Provost shall be responsible for the custody of the keys to all ballot boxes.

SECTION 4.17. Write-In Votes Prohibited. No write-in votes shall be permitted in the election of Directors.

SECTION 4.18. Election of Unopposed Candidates. Should the Committee on Nominations select a candidate to run for office of Director from a district and should no candidate be nominated from the membership of the district by written or printed petition within the prescribed time as set forth in Article IV, Section 4.05 of these Bylaws, then the Provost appointed by the Board of Directors pursuant to Article IV, Section 4.06 of these Bylaws shall certify to the Secretary of the Board that no petition has been filed within the prescribed time and that the candidate nominated by the Committee on Nomination elected by the Board for that district is therefore officially elected without opposition and it will be so announced at the Annual Membership Meeting and the nominee shall be deemed elected to the Board for that district without the necessity of mailing official ballots through the United States mail and following the election procedures set forth in these Bylaws.

SECTION 4.19. Requesting Recount and Contesting Election of Directors. A candidate for election as director may within 30 days of the announcement of the election result request the Provost to recount the votes cast in his election. A person requesting a recount shall post a bond with the Provost in an amount to be determined by the Provost to equal the estimated cost of the recount. In the event the recount changes the election of a director, then the cost thereof shall be paid by the Co-op. However, in the event the recount does not change the election of the director, the cost of the recount shall be paid by the candidate requesting same and shall be secured by the bond.

Any action to contest the election results of a director as certified by the Provost shall be filed in the Clark Circuit Court not later than the 30th day following the Annual Meeting at which the election results were announced.

SECTION 4.20. Removal of Directors by Members. Any member(s) may bring one or more charges for cause, which if proven would legally justify the removal of a director against any one or more directors and may request the removal of such director(s) by reason thereof by filing with the Secretary such charge(s) in writing signed by said member(s), together with a petition signed by not less than 20% of the then-total members of the Cooperative, which petition calls for a special member meeting the stated purpose of which shall be to hear and act upon such charge(s), and which specifies the place, time, and date thereof not sooner than 25 days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement(s) is (are) being made. The petition shall be signed by each member in the same name as appears on the membership records and shall state the signatory's address as the same appears on the membership records. A statement of such charge(s) verbatim, the name(s) of director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s), and the purpose of the meeting shall be contained in the notice of the meeting; PROVIDED, that the notice shall set forth (in alphabetical order) only 50 of the names of the members filing one or more charges if 50 or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charge(s) after they have been validly filed and at least 20 days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel, or any combination of such, and to present evidence in respect to the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting; PROVIDED, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents, or otherwise, with the ruling concerning same to be made by the chairman of the special meeting. The chairman of the said meeting shall be a licensed attorney appointed by the attorney to the Board, and the Cooperative shall compensate him for his services.

SECTION 4.21. Removal of Directors for Absence. Any Board member who is absent from three (3) consecutive regular meetings of the Board, unless excused by the affirmative vote of majority of the other Board members, shall be deemed to have vacated his office. After declaring the vacancy to exist, the remaining Board members shall proceed to fill the vacancy.

SECTION 4.22. Vacancies. All vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining Board of Directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until a successor is elected and qualified.

SECTION 4.23. Compensation; Expenses. Directors shall receive reasonable compensation and benefits for their services which shall be determined from time to time by resolution of the Board of Directors. Also directors shall receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily, and reasonably incurred in performing their duties. No director shall receive compensation for serving the Cooperative in any other capacity, unless the employment of such director is temporary, and shall be specifically authorized by a vote of the Board upon their resolved determination that such was an emergency measure; PROVIDED, that a director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Directors.

SECTION 4.24. Reports to Members. The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and conditions, and shall, after the close of each fiscal year, cause to be made a full, complete, and independent audit of the Cooperative's accounts, books, and records reflecting financial operations during, and financial condition as of the end of, such year. The board may authorize special audits, complete or partial, at any time and for any specified period of time. A full and accurate summary of such audits reports shall be published in *Kentucky Living* or presented to the members at the succeeding Annual Meeting of the members. *Kentucky Living* is the official notification medium of Clark Energy Cooperative. The cost of a subscription to *Kentucky Living* and/or Clark Energy Lines is included as part of the cost of the electric service.

ARTICLE V MEETINGS OF DIRECTORS

SECTION 5.01. Regular Meetings. A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the Annual Meeting of the members, or as soon thereafter as conveniently may be. Other regular meetings of the Board of Directors shall be held at such date, time, and place as the Board shall designate. The President shall give each member of the Board at least five (5) days written notice of each regular meeting of the Board of Directors.

SECTION 5.02. Special Meetings. A special meeting of the Board of Directors may be called by the Board of Directors, by the President, or by any five (5) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The Board, the President, or the directors calling the meeting shall fix the date, time, and place for the meeting. Special meetings, upon proper notice as otherwise provided in Section 5.03, may also be held via telephone conference call, without regard to the actual location of the directors at the time of such telephone conference meeting, if all the directors consent thereto.

SECTION 5.03. Notice of Directors Meetings. Written notice of the date, time, place (or telephone conference call) and purpose or purposes of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board, shall be delivered to each director not less than five (5) days prior thereto, either personally, or by mail, by or at the direction of the Secretary or, upon a default in this duty by the Secretary, by him or those calling it in the case of a special meeting or by any director in the case of a meeting which date, time, and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at his address as it appears on the records of the Cooperative, with first-class postage thereon prepaid, mailed at least five (5) days prior to the meeting date. The attendance of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

SECTION 5.04. Quorum. The presence in person of a majority of the directors in office shall be required for the transaction of business and the affirmative votes of a majority of the directors present and voting shall be required for any action to be taken, unless otherwise provided by statute or these Bylaws; PROVIDED, that a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in

determining the number of directors in office or present; AND PROVIDED FURTHER, that, if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent directors to be duly and timely notified of the date, time, and place of such adjourned meeting.

ARTICLE VI OFFICERS; MISCELLANEOUS

SECTION 6.01. Number and Title. The officers of the Cooperative shall be a President and CEO, Chairman of the Board, Vice Chairman, Secretary, Treasurer, Assistant Secretary, and Assistant Treasurer, and such other officers as may from time to time be determined by the Board of Directors. The offices of Secretary and Treasurer and Assistant Secretary and Assistant Treasurer may be held by the same person.

SECTION 6.02. Election and Term of Office. The officers named in Section 6.01 shall be elected annually and without prior nomination, by the Board of Directors at the first meeting of the Board held after the Annual Meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of directors and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Directors may from time to time deem advisable.

SECTION 6.03. Removal. Any officer, agent, or employee elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Cooperative will thereby be served.

SECTION 6.04. Vacancies. A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

SECTION 6.05. Oath of Directors. The attorney to the Board shall administer the following oath to the officers and directors upon their appointment of election to which they must affirmatively respond:

"Do you solemnly swear or affirm that you will support the Constitution of the United States and the Constitution of the Commonwealth and that you will faithfully execute to the best of your ability the Office of Director of Clark Energy Cooperative according to law and do you further solemnly swear or affirm that since the adoption of the present Constitution you being a citizen of this state have not fought a duel with deadly weapons within this state nor without of it nor have sent or accepted the challenge to fight a duel with deadly weapons nor have acted as a second in carrying a challenge or aided or assisted any person thus offending so help you God."

SECTION 6.06. Chairman of the Board. The Chairman of the Board of Directors shall—

(a) Preside at all meetings of the Board of Directors, and, unless determined otherwise by the Board of Directors, at all meetings of the members except that the Chairman of the Board may appoint the attorney to the Board or some other person to preside at the meetings of members;

(b) affix or have his signature affixed, with the Secretary, on certificates of membership, and sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed, and

(c) in general, perform all duties incident to the office of Chairman of the Board and such other duties as may be presented by the Board of Directors from time to time.

SECTION 6.07. Vice Chairman. In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of Chairman, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.08. Secretary. The Secretary shall—

(a) keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose;

(b) see that all notices are duly given in accordance with these bylaws or as required by law;

(c) be custodian of the corporate records and of the seal of the Cooperative and to affix the seal to all documents the execution of which, on behalf of the Cooperative, is duly authorized in accordance with the provisions of these Bylaws or is required by law;

(d) keep, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Cooperative by such member;

(e) affix or cause to be affixed with the Chairman, his signature to certificates of membership;

(f) have general charge of the books of the Cooperative in which a record of the members is kept;
(g) keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and current Bylaws, which copies shall always be open to the inspection of any member at reasonable times, and, at the expense of the Cooperative, furnish a copy of such documents upon request to any member, and (h) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.
(i) in the absence of the Secretary, or in the event of his inability or refusal to act, the Assistant Secretary shall perform the duties of Secretary, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.09. Treasurer. The Treasurer shall—

(a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
(b) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws, and
(c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.
(d) in the absence of the Treasurer, or in the event of his inability or refusal to act, the Assistant Treasurer shall perform the duties of Treasurer, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.10. Delegation of Secretary's and Treasurer's Responsibilities.

Notwithstanding the duties, responsibilities, and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 6.08 and 6.09, the Board of Directors may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's such duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to any such officer, that officer as such shall be released from such duties, responsibilities, and authorities.

SECTION 6.11. President and CEO. The Board of Directors may appoint a President & CEO, who may be, but who shall not be required to be, a member of the Cooperative and who also may be designated President. Such officer shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors from time to time vest in him.

SECTION 6.12. Bonds. The Board of Directors may require the Treasurer and any other officer, agent, or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent, or employee of the Cooperative to give bond in such amount and with such surety as it shall determine. The costs of all such bonds shall be borne by the Cooperative.

SECTION 6.13. Indemnification of Officers, Directors, Employees, and Agents. The Cooperative shall indemnify any person who is a party, or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a director, officer, employee, or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee, or agent of another cooperative, association, corporation, partnership, joint venture, trust, or other enterprise, against expenses (including all costs of defense), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself, create a presumption that the person failed to act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action, or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact

that such person is, or was a director, officer, employee, or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a director, officer, employee or agent of another Cooperative, association, corporation, partnership, joint venture, trust, or other enterprise, against expenses (including all costs of defense), actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless and only to the extent that the Court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the Court shall deem proper.

To the extent that a director, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding referred to in paragraphs 1 and 2, in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Any indemnification under paragraphs 1 and 2 (unless ordered by a Court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstance because such person has met the applicable standard of conduct set forth in paragraphs (a) and (b). Such determination shall be made: a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or c) by the members.

Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit, or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Cooperative as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of members, or disinterested directors, statute, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee, or agent of another cooperative, association, corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against such persons and incurred by such person in any such capacity or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

SECTION 6.14. Reports. The officers of the Cooperative shall submit at each Annual Meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of each fiscal year.

ARTICLE VII NON-PROFIT ORGANIZATION

SECTION 7.01. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 7.02. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal

year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members; PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period, insofar as is practicable, as determined by the Board of Directors before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The retirement method shall be determined by the Board of Directors using either a LIFO, FIFO, or hybrid method.

The Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall—

- (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year;
- (b) provide for separate identification on the Cooperative's books of such portions of capital credited to the Cooperative's patrons;
- (c) provide for appropriate notifications to patrons with respect to such portions of capital credited to their accounts, and
- (d) preclude a general retirement of such portions of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative, unless the Board of Directors, acting under policies of general application, shall determine otherwise.

The manner, method, and timing of payments of capital credits to (i) the estates of deceased members (natural persons) and (ii) those entitled to the capital credits of defunct entities who were members will be the same as all other cooperative members unless otherwise authorized by the Board of Directors.

Notwithstanding any other provisions of these Bylaws, the Board of Directors shall at its discretion have the power at any time upon the death of any patron who was a natural person (or, as provided above, upon the death of an assignee of the capital credits of a patron, which assignee was a natural person), if the legal representatives of his estate shall request in writing that the capital so credited or assigned, as the case may be, be retired prior to the time such capital would otherwise be retired under the provisions of the Bylaws, to retire such capital immediately upon such terms, conditions and rules embodied in its board policies, and provided that the financial condition of the Cooperative will not be impaired thereby; and, further, that no payment of capital credits to the estate of a deceased member shall be made except to the extent said credits represent margins earned by the Cooperative and shall exclude any capital credits received from the allocation and/or retirement of same from the Cooperative's power supplier.

The Cooperative, before retiring any capital credited to any patron, shall recoup therefrom any uncollectible amount owing by such patron to the Cooperative. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's offices.

SECTION 7.03. Patronage Refunds in Connection with Furnishing Other Services.

In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom

such amounts were obtained at such time and in such order or priority as the Board of Directors shall determine.

ARTICLE VIII DISPOSITION AND PLEDGING OF PROPERTY: DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

SECTION 8.01. Disposition and Pledging of Property. Not inconsistently with Kentucky Revised Statutes, Section 279.140 paragraph 2 thereof, the Cooperative may authorize the sale, lease, lease-sale, exchange, transfer, or other disposition of any of the Cooperative's properties and assets only upon the affirmative votes of a majority of the then-total members of the Cooperative at a duly held meeting of the members. However, the Board of Directors shall have full power and authority:

- (a) to borrow monies from any source and in such amounts as the Board may from time to time determine;
- (b) to mortgage or otherwise pledge or encumber any or all of the Cooperative's properties or assets as security therefore, and
- (c) to lease, lease-sell, exchange, transfer, or otherwise dispose of services and electric energy, property acquired for resale, merchandise, property not necessary or useful for the operation of the Cooperative; PROVIDED, that sales of such unnecessary property shall not in any one year exceed ten (10) percent in value of all the property of the Cooperative other than merchandise and property acquired for resale.

Supplementary to the first sentence of paragraph 1, and any other applicable provisions of law or these Bylaws, no sale, lease, lease-sale, exchange, transfer, or other disposition of any of the Cooperative's properties and assets shall be authorized except in conformity with the following:

- (a) If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer, or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Circuit Court Judge for the Judicial District in Kentucky in which the Cooperative's headquarters are located. If such judge refuses to make such designations, they shall be made by the Board of Directors.
- (b) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other electric cooperative corporately sited and operating in Kentucky (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer, or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperative, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric cooperative shall be given not less than 30 days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
- (c) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall adopt a resolution recommending the sale and directing the submission of the proposal to a vote of the members at a duly held member meeting, and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than 90 days after the giving of such notice to the members; PROVIDED, that consideration and action by the members may be given at the next Annual Member Meeting if the Board so determines and if such Annual Meeting is held not sooner than 90 days after the giving of such notice.
- (d) Any 200 or more members, by so petitioning the Board not less than 20 days prior to the date of such special or Annual Meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The provisions of this Section 8.01 shall not apply to a sale, lease, lease-sale, exchange, transfer, or other disposition to one or more other electric cooperatives or if the substantive or actual legal effort thereof is to merge or consolidate with such other one or more electric cooperatives.

SECTION 8.02. Distribution of Surplus Assets on Dissolution. Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors, not inconsistently with the provisions of the third paragraph of Section 7.02 of these Bylaws, be distributed without priority but on a patronage basis among all persons who are members of the Cooperative; PROVIDED, HOWEVER, that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal income taxation.

ARTICLE IX SEAL

The Corporate Seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Kentucky."

ARTICLE X FINANCIAL TRANSACTIONS

Section 10.01. Contracts. Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any Cooperative officer, agent, or employee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 10.02. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness, issued in the name of the Cooperative, shall be signed or countersigned by such officer, agent, or employee of the Cooperative and in such manner as shall from time to time be determined by the Board of Directors.

Section 10.03. Deposits, Investments. All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

Section 10.04. Fiscal Year. The Cooperative's fiscal year shall begin on the first (1st) day of the month of May of each year and end on the 30th day of the month of April following.

ARTICLE XI WAIVER OF NOTICE

Any member or director may waive, in writing, any notice of meetings required to be given by these Bylaws.

ARTICLE XII AMENDMENTS

These Bylaws may be altered, amended, or repealed by the Board of Directors any regular or special Board meeting; PROVIDED, that the notice of the meeting, shall have contained a copy of the proposed alteration, amendment, or repeal or an accurate summary explanation thereof.

ARTICLE XIII RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws, and of any other committee of the members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of *Robert's Rules of Order*, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

CLARK ENERGY COOPERATIVE MONTHLY RATES AS OF JANUARY 2026

Rates are subject to change. For updates, visit our website at www.clarkenergy.com.

SCHEDULE R: Residential

Facility Charge	27.77
Energy Charge per kWh	.10123

SCHEDULE R: Residential Voluntary Rider — PrePay Service

Facility Charge	27.77
Service Fee	5.00
Energy Charge per kWh	.10123

SCHEDULE B-1: Large Industrial Rate

Facility Charge	868.72
Demand Charge per kW of Contract Demand	9.25
Demand Charge per kW of Billing Demand in Excess of Contract Demand	10.75
Energy Charge per kWh	.05978

SCHEDULE C: General Power Service

Facility Charge (single phase)	35.35
Facility Charge (three phase)	51.85
Energy Charge per kWh	.10360

SCHEDULE D: Time-of-Use Marketing Rate (ETS Heaters)

Energy Charge per off-peak kWh	.07656
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Subject to off-peak usage as follows:

Month	Hours Applicable — E.S.T.
October–April	7 a.m.–12 p.m. (noon) 5 p.m.–10 p.m.
May–September	10:00 a.m. – 10:00 p.m.

SCHEDULE E: Public Facilities

Facility Charge	27.77
Energy Charge per kWh	.10088

NOTE: All monthly kilowatt-hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the "Fuel Adjustment Clause." The above rates are published for information purposes only. If additional facts are needed, please contact Clark Energy Cooperative Headquarters office.

To comply with Environmental Protection Agency (EPA) rules and regulations, our power supplier, East Kentucky Power Cooperative (EKPC), has installed equipment to reduce emissions from power plants. The environmental surcharge reflected on the monthly bill is the calculated charge to cover these costs and is passed directly to EKPC.

SCHEDULE M: General Power Service—Power Delivery (greater than 1,000 kw, but less than 5,000 kw)

Demand Charge per kW	10.41
Energy Charge per kWh	.07430



Contact Us

CLARK EC OFFICE LOCATIONS

2640 Ironworks Road,
Winchester 40391

28 Bible Camp Lane,
Frenchburg 40322

170 Halls Lane, Stanton 40380

www.clarkenergy.com

OFFICE HOURS

7 a.m. - 5:30 p.m.,
Monday - Thursday
Friday - Sunday CLOSED

OFFICE PHONE NUMBERS

Winchester - (859) 744-4251
Frenchburg - (606) 768-2383
Stanton - (606) 663-4330
Toll Free - (800) 992-3269
Emergency - (800) 992-3269
Fax - (859) 744-4218

**To report an outage, please
call (800) 992-3269.**

YOUR BOARD OF DIRECTORS

Steve Hale—Powell
Chairman

O.H. Caudill—Montgomery,
Bath, Bourbon
Vice Chairman

Bobby Russell—Madison
Secretary-Treasurer

Allen Patrick—Menifee,
Rowan, Morgan, Bath
Assistant Secretary-Treasurer

Gale Means—Powell

Dewey Hollon—Powell,
Estill, Wolfe

Walter "Smiley" Ballard Jr.—
Menifee, Montgomery, Bath

Mary "Susie" Shearer—Clark,
Fayette, Bourbon

Everett Curry—Clark

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UNITED STATES DEPARTMENT
OF AGRICULTURE

Rural Utilities Service STATEMENT OF NONDISCRIMINATION

This institution is an equal opportunity provider and employer.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its agencies, offices and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religions, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal, or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at www.usda.gov/sites/default/files/documents/ad-3027.pdf and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, DC 20250-9410;
- (2) Fax: (202) 690-7442; or
- (3) Email: program.intake@usda.gov

USDA is an equal opportunity provider, employer and lender.

Clark Energy Cooperative | P.O. Box 748, Winchester, KY 40392

CLARK ENERGY OFFICES WILL BE CLOSED
THURSDAY, JANUARY 1, FOR NEW YEAR'S DAY.

Happy New Year!



JENIFOTO/ADOBESTOCK