

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

Exhibit U
page 1 of 4
Witness: Kerry Howard

Licking Valley Rural Electric
Case No. 2016-00174
By - Laws Changes
October 31, 2015

A copy of the bylaws is attached. The only change since the last general rate request is th name of Director May was replaced with Director Porter.

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

BYLAWS

The aim of Licking Valley Rural Electric Cooperative Corporation, hereinafter called "Cooperative" is to make electric energy available to its members at the lowest cost with sound economy and good management.

ARTICLE I MEMBERS

SECTION 1. QUALIFICATIONS AND OBLIGATIONS. Any person, firm, corporation or body politic may become a member in the corporation by:

- Paying the membership fee hereinafter specified;
 - Agreeing to purchase from the Cooperative electric energy as hereinafter specified; and
 - Agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative and these Bylaws, and any amendments thereto and such rules and regulations as may from time-to-time be adopted by the Board of Directors.
- (D) Granting to the Cooperative an easement over the member's property without monetary compensation on reasonable terms and conditions as the Cooperative shall require for furnishing electric energy to the member or any other members and for constructing, operating, maintaining and relocating electric facilities.
- (E) Holding a membership certificate with the Cooperative with no outstanding delinquent account indebtedness due LVRECC. In an election year, a cut-off date of thirty (30) days prior to the mailing of ballots for director(s) election shall be established in determining whether a member is in good standing for voting purposes.

SECTION 2. MEMBERSHIP FEE. "Membership Fee" The membership fee shall be twenty dollars (\$20.00).

SECTION 3. PURCHASE OF ELECTRIC ENERGY. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative electric energy used on the premises referred to in the application of such member for membership, and shall pay therefore monthly at rates which from time-to-time be fixed by a resolution of the Board of Directors; provided, however, that the electric energy which the Cooperative shall furnish to any member may be limited to such an amount or type of service as the Board of Directors shall from time-to-time determine and that each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the Board of Directors from time-to-time, regardless of the amount of electric energy consumed. Each member shall also pay all obligations which may from time-to-time become due and payable by such members to the Cooperative as and when the same shall become due and payable.

SECTION 4. 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, by the affirmative vote of not less than two-thirds of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him/her liable to expulsion and such failure shall have continued for at least ten days after such notice as given. Any expelled member may be reinstated by 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/her, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the Board.
- Upon withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his/her estate from any debts due the Cooperative.
- In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him/her, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

SECTION 5. NON-LIABILITY FOR DEBTS OF THE COOPERATIVE

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

ARTICLE II MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING

The Annual Meeting of the members shall be held each year beginning with the year 1980, at a place within one of the counties in Kentucky within which the Cooperative serves and at a time to be selected by the Board, which place and time shall be designated in at least one Notice of the Annual Meeting as provided herein below.

- The time and place of the Annual Meeting shall be furnished by mail to all the membership, either in printed or written form at least once prior to said meeting. The Notice shall be mailed not less than fifty (50) days nor more than eighty-five (85) days prior to the time set by the Board for the Annual Meeting. In each year in which directors are to be elected, the Notice shall also include information as to the manner in which candidates are nominated for the office of director; provided however, that for cost efficient to it, the Board of Directors may fix a different date for such annual meeting not more than fifty (50) days prior or subsequent to the date otherwise established for such meeting in this section.
Publication of any Notice required hereunder in the *Kentucky Living* Magazine shall be deemed sufficient.

- At the Annual Meeting, it is contemplated that the Meeting will be held for the purpose of announcing the election of Directors in an election year; passing on reports for the previous meeting and transacting such other business as may properly come before the Meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the Annual Meeting.
- Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative, nor shall it affect the tenure of the existing Directors who shall hold office until their successors are properly elected and qualified, even though the incumbents may exceed their normal elected time in office.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by at least five (5) directors or upon a written request signed by at least thirty-three per centum (33%), of all the members only with official form furnished by the Cooperative and it shall thereupon be the duty of the secretary or his/her designee(s) to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties in Kentucky within which the Cooperative serves.

SECTION 3. NOTICE OF MEMBERS MEETINGS. Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the secretary or his/her designee(s), or upon a default in duty by the secretary, by the person(s) calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his/her address as it appears on the records of the Cooperative, with postage thereon prepaid. Publication of any notice required hereunder in the *Kentucky Living* Magazine shall be deemed sufficient. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at such meeting.

SECTION 4. QUORUM. At least one per centum (1%) of the total number of members of the Cooperative being present shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership, the presence at a meeting of either husband or wife, or both, shall be regarded as the presence of one member. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time-to-time without further notice.

SECTION 5. VOTING. Each member shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law; the Articles of Incorporation or these Bylaws. If a husband and wife hold a joint membership, they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. Each member at an annual or other duly called membership meeting, shall be required

to present himself/herself to duly designate employee(s) of the Cooperative in charge of the membership roster and after it is ascertained that he or she is a member in good standing, official identification credentials indicating same will be issued him or her, and only those persons identifying themselves by the use of proper credentials may vote.

Unless otherwise directed by the Board of Directors prior to the membership meeting or meetings, Robert's Rules of Order shall apply.

SECTION 6. AGENDA. No Proposal shall be voted upon at the Annual Meeting unless it has been placed on the agenda at least fifty (50) days prior to such meeting. Any proposal determined to be legitimate by the Board of Directors, may be placed on the agenda by any member by filing a copy of the proposal at the principal office of the Cooperative within the time allowed, with a request that it be submitted to the Annual Meeting for consideration.

PROXIES PROHIBITED. Voting by proxy is prohibited by these Bylaws.

SECTION 7. ORDER OF BUSINESS. The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows:

- Quorum call.
- Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver of notice of meeting, as the case may be.
- Consideration of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- Presentation and consideration of, and acting upon, reports of officers, directors and committees.
- Report of results of directors election in an election year.
- Other business.
- Adjournment.

ARTICLE III DIRECTORS

SECTION 1. GENERAL POWERS AND ELECTION OF DIRECTORS. The business and affairs of the Cooperative shall be managed by a Board of eight (8) Directors such as are by law or by the Articles of Incorporation of the Cooperative or by these Bylaws conferred upon or reserved to the members. Three (3) of said directors shall be elected from Morgan County and two (2) of said directors shall be elected from Magoffin County and two (2) of said directors shall be elected from Wolfe County and one (1) of said directors shall be elected from Breathitt County.

SECTION 2. QUALIFICATIONS AND TENURE. Commencing in 2004, eight (8) directors shall be elected by mail ballot by and from the members to serve for a term of four (4) years or until their successors shall have been elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of directors. The results of such election shall be reported at the annual meeting of the members in 2004, and thereafter, such election shall be announced every four (4) years at the annual meeting of the members. Directors of the Cooperative shall be a member of good standing of the Cooperative and receive service therefrom at his/her primary residence within the district from which he/she is elected. Directors of the Cooperative shall not be employed by the Cooperative, East Kentucky Power Cooperative Corporation, any member cooperative of East Kentucky Power Cooperative Corporation or a competing utility company. Directors of the Cooperative shall not be drawing retirement benefits, disability benefits or workers' compensation benefits from the Cooperative and shall not have been employed by the Cooperative within the last five (5) years. To become and remain a Director, a person must meet the standards and qualifications as defined in LVRECC Board Policy 224, Substance Abuse Policy; have the capacity to enter into legally binding contracts; before becoming a Director, graduate from high school or earn an equivalent degree or certification; while a Director, or prior to becoming a Director, not be convicted of, or plead guilty to, a felony; while a Director, and prior to becoming a Director, not have a final judgment entered against them involving civil fraud, ethical violations, discrimination and/or acts of harassment; while a Director, and seven years immediately before becoming a Director, bear a debtor in a federal bankruptcy proceeding or a similar proceeding under applicable state law such as insolvency, liquidation, receivership reorganization, or assignment for the benefit of creditors; while a Director, and seven years immediately before becoming a Director, been a party to a foreclosure or other proceeding (judicial or non-judicial), which proceeding is or was instituted because of the director's default on indebtedness; except as otherwise provided by the Board of Directors for good cause shown, a Director shall participate in and complete required director training as established by the Board of Directors; except as otherwise provided by the Board of Directors for good cause shown, attend at least ninety percent (90%) of all properly noticed Regular and Special Board Meetings, Committee Meetings and Board Telephone/Video Conference Meetings during each twelve (12) month rolling period; except as otherwise provided by the Board of Directors for good cause shown, not miss more than two (2) consecutive properly noticed Regular Board Meetings; while a Director, must not breach the Director's fiduciary duties to the Cooperative, violate confidences, or engage in illegal activity under the color of authority as a Director; and comply with any other reasonable qualifications determined, made adopted, amended, and/or promulgated in policies or rules of the Cooperative, not inconsistent with law, the Articles of Incorporation regulations, or these By-Laws. When a membership is held jointly by husband and wife, either one, but not both, may be elected a Director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualifications herein above set forth. Nothing in the section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

SECTION 3. NOMINATIONS AND ELECTIONS

- It shall be the duty of the Board of Directors to select and appoint not less than fifty (50) days nor more than ninety (90) days before the annual meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members of the Cooperative.

The members so selected by the Board shall be selected so as to give, so far as possible, equitable representation on the committee on nominations considering the geographical area served by the Cooperative.

No officer or member of the Board of Directors of the Cooperative shall be appointed a member on the committee on nominations.

- It shall be the responsibility of the committee on nominations to select eight (8) candidates to run for office of director to fill the vacancy caused by the expiration of directors' terms. The committee on nominations shall prepare and post its nominations in a conspicuous manner in the lobby of the Cooperative Headquarters building not less than forty-five (45) days prior to the date set for the annual meeting, at which the election of directors shall be announced.

Any fifty (50) or more qualified members may, by completing an official petition for nomination as outlined in Article 3 (c) (4) to be prepared by and obtained from the Cooperative Headquarters located in West Liberty, Kentucky, make other nominations from the membership for the Office of Director, not exceeding eight (8) in number of any one petition, by affixing their signatures and addresses to the petition or petitions. In no event shall a member or members sign a petition for more than eight (8) candidates. In the event a member or members sign a petition or petitions for more than eight (8) candidates, then their signatures shall be invalid on all petitions signed by them. Candidates shall be nominated on a county basis as prescribed in Section 1, above.

Petition or petitions by qualified members nominating candidates for the office of directors shall be filed at the Headquarters office of the Cooperative during the regular office hours of the Cooperative, but in any event not later than 4:30 p.m. prevailing time thirty (30) days prior to the date set for the annual meeting and said nominating petitions shall be posted in a conspicuous manner in the lobby of the Cooperative headquarters building not less than twenty-five (25) days prior to the date set for the annual meeting if, after examination of the provost or his/her designee(s), it is determined by said provost or his/her designee(s) that said petition or petitions meet the requirements of the Bylaws, Articles of Incorporation and the laws of the Commonwealth of Kentucky.

March 2015

(C) The Board of Directors shall have the duty of naming the provost in charge of directors' elections who shall have responsibilities and duties regarding nominating petitions as well as votes and the counting of same. The duties of the provost regarding nominating petitions shall be as follows:

1. The provost or his/her designee(s) of the election shall examine and audit the petition or petitions filed by 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.
2. The provost or his/her designee(s) 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.
3. If the provost or his/her designee(s) shall disapprove a signature and/or address on a petition or petitions, he/she shall list same in writing giving the reason or reasons why said signature and/or address was not approved.
4. The provost or his/her designee(s) 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/her because the name, address, account number, and social security number (REF: paragraph number 5) on said petition or petitions fail to comply with Kentucky Revised Statutes, the Articles of Incorporation of the Cooperative, and these Bylaws. (Only official petition for nomination forms furnished by the Cooperative shall be recognized and accepted as nominee for candidate for election to serve on Cooperative Board of Director(s)). If the petition or petitions do not contain the signatures and addresses of the required number, then the provost or his/her designee(s) 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.

Upon completion of the examination and audit of the petition or petitions by the provost or his/her designee(s), he/she 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.

5. After the provost or his/her designee(s) has certified in writing the name(s) of the candidate(s) nominated by petition or petitions to be placed upon the official ballot, it shall be the duty of the secretary or the secretary shall cause to have a printed ballot prepared and mailed of those persons duly nominated by the committee on nominations or by nominating petition within fourteen (14) days after the nominating petitions are required to be posted. The printed ballot shall list separately those eight (8) persons nominated by the nominating committee and those person(s) nominated by petition in alphabetical order and labeled in such a manner as to note which candidates appear on the ballot by nomination of the committee on nominations and which appear on the ballot wherein the printed ballots shall contain each person's social security number, address, account number on each separate page of the nominating petitions filed by membership by nomination by petition. It shall be the further duty of the secretary or his/her designee(s) to see that the official ballots are mailed to each active and qualified member at his or her last address shown on the Cooperative records.

The official ballot shall be inscribed with instructions by the secretary or his/her designee(s) of the Cooperative as to how many candidates may be voted for on each official ballot by the member and with instructions that all official ballots must be returned only U.S. mail not less than seven (7) days prior to the said annual meeting.

Each qualified member shall have the right to cast one (1) vote for each director to be elected at such election. Each member may vote for as many as eight (8) directors on a county basis as provided in Section 1, above. The secretary or his/her designee(s) shall so advise each member in the instructions included with the ballot. If a husband and wife hold a joint membership, they shall jointly be entitled to vote as one (1) member.

Each official ballot shall be placed with an envelope labeled "Ballot Envelope" with a return envelope bearing postage prepaid, addressed to the provost or his/her designee(s) for the Cooperative all in a cover envelope, all of which shall be mailed by the secretary or his/her designee(s) of the Cooperative to each member eligible to vote.

The official ballot should be marked by the eligible member and then placed in the ballot envelope and sealed. The sealed ballot envelope, with the official ballot enclosed, should then be placed in the return envelope which is addressed to the provost or his/her designee(s) for the Cooperative with postage prepaid. The return envelope should then be signed and dated by the member in the space provided in the upper corner of the return envelope so it can be determined by the provost or his/her designee(s) whether the person signing and dating the return envelope is an eligible voting member of the Cooperative. The ballot shall be sealed and mailed in the return envelope.

The secretary or his/her designee(s) of the Cooperative shall cause to have all ballots returned by mail in the possession of the provost or his/her designee(s).

Any and all return envelopes found by the provost or his/her designee(s) 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(es) which locked ballot box(es) the provost or his/her designee(s) shall cause to have retained in safekeeping until thirty-five (35) days after the date of the completion of the counting of the ballots.

The return envelopes that are found to be in conformity with the provisions and requirements of these Bylaws shall then be placed in a locked ballot box(es) for the accepted return envelopes.

In the event another unopened return envelope is found by the provost or his/her designee(s) to be from the same voting member, the provost or his/her designee(s) shall then remove the unopened return envelope therefore approved from the approved return envelopes and attach it to the second unopened return envelope and note on the back of the unopened return envelope the reason for rejection and then place both of the unopened return envelopes in the locked ballot box(es) provided for any and all unopened return envelopes found by the provost or his/her designee(s) not to conform to the provisions and the Bylaws.

After all the return envelopes have been checked by the provost or his/her designee(s) and placed either in the locked ballot box(es) for acceptance return envelopes or placed in locked ballot box(es) for rejected return envelopes, the provost or his/her designee(s) shall open the accepted return envelopes and remove the ballot envelope unopened therefrom and place them in a locked ballot box(es) until all of said return envelopes have been opened. The provost or his/her designee(s) shall then open the locked ballot box(es) containing the unopened official ballot envelopes and remove the same from said ballot box(es) and open each official ballot envelope and tabulate all valid votes cast on each official ballot. Provided, however, the ballot envelopes shall not be opened except in the presence of the provost or his/her designee(s) for the Cooperative and the nominees for the office of director up to two designated representatives nominated by the Board of Director's Committee and up to two designated representatives of the nominees.

Any official ballot which is deemed invalid by the provost or his/her designee(s) for reasons set forth in these Bylaws shall be placed by the provost or his/her designee(s) in the locked ballot box(es) containing the rejected return envelopes.

The ballot box(es) shall be kept locked at all times except when the provost or his/her designee(s) is present.

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(es) by the provost or his/her designee(s) for safekeeping until the counting of all official ballots is again begun in the presence of the provost or his/her designee(s) and this procedure shall continue until all valid official ballots have been counted and tabulated.

The provost or his/her designee(s) in charge of directors' elections shall with the help of personnel of the Cooperative count the ballots as expeditiously as may be possible following the placement in his/her hands of said ballots. During the counting of ballots no persons other than personnel of the Cooperative or the provost or the provost's designee(s) directly engaged in the election or persons nominated for Director or one representative for such persons properly authorized by the nominee may be present in the counting room. After the ballots have been duly counted, the result of such election shall be announced at the subsequent annual meeting of members and the Board shall meet immediately thereafter and those persons receiving the highest number of ballots shall be declared elected and duly sworn by the Cooperative attorney. The following shall not be counted:

- A) A vote marked for more than eight (8) candidates;
- B) Ballots other than the official ballot;
- C) Ballots not received through the United States mail;
- D) Ballots arriving late, and

E) Ballots not conforming to these Bylaws.

6. The provost or his/her designee(s) shall place all official and valid ballots which have been counted in a locked ballot box(es) and shall retain the key(s) to same unopened for safekeeping for thirty-five (35) days from the date of completion of the official counting and tabulating by him/her.

The provost or his/her designee(s) 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 names of the eight (8) candidates receiving the highest number of votes, taking into account the fact that directors shall be elected on a county basis as provided in Section 1, above.

After the thirty-five (35) days have passed from the date of the completion of the counting of the ballots, the provost or his/her designee(s) shall relinquish the key(s) for the ballot box(es) to the secretary or his/her designee(s) of the Cooperative.

7. No write-in votes shall be permitted in the election of the members to the Board of Directors. Should the committee on nominations select eight (8) candidates to run for office of director to fill the vacancy caused by the expiration of directors' terms in accordance with Article III, Section 3 of these Bylaws and should no candidate be nominated from the membership by written or printed petition within the prescribed time as set forth in Article III, Section 3 of these Bylaws, then the provost or his/her designee(s) appointed by the Board of Directors pursuant to Article III, Section 3 of these Bylaws shall certify to the secretary of the Board that no petition has been filed within the prescribed time and that the eight (8) candidates nominated by the committee on nominations selected by the Board are therefore officially elected without opposition and the secretary of the Board will so announce at the annual membership meeting and the nominees shall be deemed elected to the Board without the necessity of mailing official ballots through the United States mail and following the election procedures set forth in these Bylaws.

SECTION 4. VACANCIES. Subject to the provisions of these Bylaws with respect to the removal of directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining directors and directors thus elected shall serve for the remainder of the term of the director being replaced or until their successors shall have been elected and shall have qualified.

SECTION 5. COMPENSATION. Directors as such shall not receive any salary for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors. Except in emergencies, no director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Director receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

SECTION 6. RULES AND REGULATIONS. The Board of Directors shall have power to make and adopt such rules and regulations not inconsistent with law, the Articles of Incorporation of the Cooperative or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 7. ACCOUNTING SYSTEM AND REPORTS. The Board shall cause to be established and maintained a complete accounting system as may from time-to-time be designated by the administrator of the Rural Utilities Service of the United States of America. The Board shall also, after the close of each fiscal year, cause to be made a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be made available to the members at the next following annual meeting.

SECTION 8. CHANGE IN RATES. Notice should be given to the administrator of the Rural Utilities Service of the United States of America or upon written notice from the administrator not less than ninety (90) days prior to the day upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

SECTION 9. LIABILITY INSURANCE. The Board of Directors shall have power to purchase and maintain insurance on behalf of any person who is a director, officer, employer or agent of the Cooperative, or is serving at the request of the Cooperative as a director, officer, employee or agent of another corporation against any liability asserted against him/her and incurred by him/her in any such capacity or arising out of his/her status as such.

SECTION 10. REMOVAL OF DIRECTORS AND OFFICERS. Any member may bring charges against any officer or director by filing them in writing with the secretary together with a petition signed by thirty-three per centum (33%) of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by members at such meeting. The director or officer against whom such charges have been brought shall be informed in writing of charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence, and the person bringing the charges against him/her shall have the same opportunity. Provided, however, no officer or director shall be removed from office except for legal cause.

SECTION 11. REIMBURSEMENT OF EXPENSES. The Directors of the Cooperative shall be allowed their expenses that are incurred in the conduct of all official business which shall include, but is not limited to, attendance at and participation in meetings of various entities and associations whose intended function is to support and assist the rural electrification program, and of which the Cooperative is a member. Reimbursement of expenses shall be upon the basis of actual expenses, or upon the basis of a certain sum per diem, which specific basis shall be determined by a proper resolution of the Board of Directors.

ARTICLE IV MEETINGS OF DIRECTORS

SECTION 1. REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held without notice other than this Bylaw, immediately after, and at the same place, as the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place in one of the counties in Kentucky within which the Cooperative serves, as the Board of Directors shall designate. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the president or any five (5) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for the holding of any special meeting of the Board of Directors called by them within one of the counties in Kentucky within which the Cooperative serves.

SECTION 3. NOTICE. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to each director at his/her last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon paid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

SECTION 4. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the directors are present at said meeting, a majority of the directors may adjourn the meeting from time-to-time without further notice.

SECTION 5. MANNER OF ACTING. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 6. ACTION BY DIRECTORS WITHOUT A MEETING. Any action required by law or the Bylaws to be taken at a meeting of the directors of this cooperative, or any action which may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all of the directors. Such consent shall have the same effect as a unanimous vote.

SECTION 7. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS. The Cooperative shall indemnify any person who is or 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 attorneys' fees), 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 interest 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 did not 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 proceedings, 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 judgement 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 attorneys' fees) 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 circumstances because such person has met the applicable standard of conduct set forth in paragraphs 1 and 2, such determination shall be made:

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

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 by the members.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of 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 the Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under and bylaw, agreement, vote of members or disinterested directors, or otherwise, both as to action in his/her 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 person 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.

ARTICLE V OFFICERS

SECTION 1. NUMBER. The officers of the Cooperative shall be a president, vice-president, secretary and treasurer, and such other officers as may, from time-to-time, be determined by the Board of Directors. The offices of secretary and treasurer may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers shall be elected by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his/her successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

SECTION 3. REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will be served thereby.

SECTION 4. VACANCIES. Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. PRESIDENT. The president:

- Shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and of the Board of Directors;
- Shall sign with the secretary certificates of membership, the issuance of which shall have been authorized by resolution of the Board of Directors, and may 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
- In general, shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time-to-time.

SECTION 6. VICE-PRESIDENT. In absence of the president, or in event of inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president and shall perform such other duties as from time-to-time may be assigned to him/her by the Board of Directors.

SECTION 7. SECRETARY. The secretary shall:

- Keep the minutes of the members and the Board of Directors in one or more books provided for that purpose;
- See that all notices are duly given in accordance with these Bylaws or as required by law;
- Be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issuance thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- Keep the register of the post office address of each member which shall be furnished to the secretary by such members.
- Sign with the president certificates of membership, the issuance of which shall have been authorized by resolution of the Board of Directors.
- Have general charge of the books of the Cooperative in which a record of the members is kept;
- Keep on file at all times a complete copy of the Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative, forward a copy of the Bylaws and of all amendments thereto to each member; and
- In general, perform all duties incident to the office of secretary and such other duties as from time-to-time may be assigned to him/her by the Board of Directors.
- The secretary may designate any of the foregoing duties at his/her discretion.

SECTION 8. TREASURER

- Have charge and custody of and be responsible for all funds and securities of the Cooperative;
- Receive and give receipts for money due and payable to the Cooperative from any source whatsoever, and deposit all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- 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/her by the Board of Directors.

SECTION 9. GENERAL MANAGER/CEO. The Board of Directors may appoint a general manager/CEO who may be, but who shall not be required to be, a member of the Cooperative. The general manager/CEO shall perform such duties as the Board of Directors may from time-to-time require of him/her and shall have such authority as the Board of Directors may from time-to-time vest in him/her.

SECTION 10. BONDS OF OFFICERS. The Board of Directors shall require the treasurer or any other officer 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.

SECTION 11. COMPENSATION. The compensation, if any, of any officer, agent or employee who is also a

director or close relative of a director shall be determined by the members as provided elsewhere in these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors.

ARTICLE VI CONTRACTS, CHECKS AND DEPOSITS

SECTION 1. CONTRACTS. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents 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 2. 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 by such officer or officers, agent or agents of the Cooperative and in such manner as shall from time-to-time be determined by resolution of the Board of Directors.

SECTION 3. DEPOSITS. All funds of the Cooperative shall be deposited from time-to-time to the credit of the Cooperative in such bank as the Board of Directors may select.

ARTICLE VII MEMBERSHIP CERTIFICATES

SECTION 1. CERTIFICATES OF MEMBERSHIP. Membership in the Cooperative shall be evidenced by a certificate of membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Articles of Incorporation of the Cooperative or these Bylaws. Such certificate shall be signed by the president and by the secretary of the Cooperative and the corporate seal shall be affixed thereto.

SECTION 2. ISSUE OF MEMBERSHIP CERTIFICATES. No membership certificate shall be issued for less than the membership fee fixed in these Bylaws, nor until such membership fee has been fully paid for in cash, and such payment has been deposited with the treasurer.

SECTION 3. LOST CERTIFICATES. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

ARTICLE VIII REVENUES AND RECEIPTS

Subject to the provisions of any mortgage or deed or trust given or assumed by the Cooperative, the Board of Directors shall, after the expiration of each year and after paying or making provisions for the payment of all obligations and expenses of the Cooperative properly chargeable against its revenues and receipts for such year, apply the unexpended revenues and receipts for such year:

All revenues received in excess of those required for meeting current operating expenses shall be considered as patronage capital and shall be assigned to each member on the basis of patronage, except cost of service consumers.

Based on a cycle, approved by the Board of Directors, a general distribution of capital credits may be paid to the members depending upon the financial condition of the Cooperative at the time such retirements are under consideration.

The Board of Directors may elect to pay capital credits if economically feasible and the financial condition of the Cooperative permits. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital. Provided, however, that any sum(s) available for distribution to a member as aforesaid shall be first applied against any member's indebtedness, if any, to the Cooperative.

ARTICLE IX WAIVER OF NOTICE

Any member or director may waive, in writing, any notice of meetings required to be given by these Bylaws. In case of a joint membership a waiver of notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

ARTICLE X DISPOSITION OF PROPERTY

- Except as provided in these Bylaws the Cooperative may not sell, lease or otherwise dispose of any of its property unless the Board of Directors is authorized so to do by a majority vote of the total membership. Due notice shall be given to all members of the proposed sale, lease or other disposition of such property. The Board of Directors, without authorization by the members, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, upon such terms and conditions as the Board of Directors shall determine, to secure any obligation of the Cooperative, any provision of the Articles of Incorporation or Bylaws of the Cooperative to the contrary notwithstanding.
- The Board may sell any of the following property without authority from the members:
 - Property that is not necessary in operating and maintaining the system, but sales of such property shall not in any one year exceed ten percent (10%) in value of all the property of the Cooperative other than merchandise and property acquired for resale;
 - Services and electric energy;
 - Property acquired for resale; and
 - Merchandise.

ARTICLE XI FISCAL YEAR

The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

ARTICLE XII MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative shall not become a member of any other organization without an affirmative vote of a majority of the members of the Board of Directors.

ARTICLE XIII 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 XIV AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than a majority of all the Directors at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

We, the undersigned, members of the Board of Directors of the Licking Valley Rural Electric Cooperative Corporation, and being all of the members of said Board of Directors, do hereby approve, ratify, adopt, re-adopt and confirm, in all respects, the foregoing Bylaws of the Licking Valley Rural Electric Cooperative Corporation.

This the 19th day of December 2013.

Michael Adams
Darrell Cundiff
Tommy Hill
Ted A. Holbrook
Dolores D. Jones
J. Frank Porter
C. K. Stacy
Philip Williams