

# West Kentucky Rural Electric Cooperative Corporation

Established 1938, Mayfield, Kentucky



## Bylaws 26th Revised Edition

Amended Through October 13, 2015  
Compiled by Robbins & Robbins Counsel

**Bylaws**  
**26th Revised Edition**  
**Amended Through October 13, 2015**

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1. The aim of West Kentucky Rural Electric Cooperative Corporation (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 1 – Members**

### *Section 1. Qualifications and Obligations.*

Any individual or entity may become a member in the Cooperative by; (a) signing a Membership Agreement and paying the membership fee hereinafter specified; (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified; (c) agreeing to grant the Cooperative or its agents, without cost, right-of-way easement rights, in writing if requested, for the construction, operation, maintenance, right-of-way trimming and cutting, repair of electric lines and any other electric or communications infrastructure on, over, and under all real estate of the applicant for membership, regardless of its location in the Cooperative’s service area and including any after-acquired real estate, whether needed by the Cooperative for service to the applicant himself or to other members and customers of the Cooperative, including the right of ingress and egress as may be necessary or convenient to the extension of service, and (d) 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, regulations, requirements, guidelines, procedures, policies, programs, determinations, resolutions, or actions taken, adopted, promulgated, approved or adopted by the Board of Directors; provided, however, that no individual or entity shall become a member unless and until he or it has been accepted for membership by the Board of Directors or the members. The Membership Application and these By-Laws constitute a binding and enforceable contract. At each meeting of the members held subsequent to the expiration of a period of six (6) months from the date of incorporation of the Cooperative all applications received more than ninety (90) days prior to such meeting and which have not been accepted by the Board of Directors shall be submitted by the Board of Directors to such meeting of the members, and subject to compliance by the applicant with the conditions set forth in subdivisions (a), (b), (c) and (d) of this section such application for membership may be accepted by a vote of the members at such meeting. The Board Secretary shall give any such applicant at least ten (10) days prior notice of the date of the members’ meeting to which his application will be submitted and such applicant may be present and heard at the meeting. No individual or entity may own more than one (1) membership in the Cooperative. An entity is defined as a cooperative, business or non-profit organization, sole proprietorship, unincorporated association, limited liability company, partnership, trust, estate, persons having a joint or common economic interest, and local, state, federal or national government, including an agency or division of the government.

The Membership Agreement shall constitute an irrevocable license to the Cooperative to construct, operate, maintain and repair electric lines and systems on, over, or under the member’s real estate including the right of the Cooperative to cut, trim, doze, mow, or spray trees, shrubbery, or other vegetation deemed necessary by the Cooperative to properly and adequately clear and maintain right-of-way in accordance with policy and procedure established by the Cooperative’s Board of Directors or management.

A husband and wife may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section provided the husband and wife comply jointly with the provisions of the above subdivisions (a), (b), (c), and (d).

### *Section 2. Membership Fee & Deposits*

The membership fee shall be \$5.00, the payment of which shall make the member eligible for service connection(s) and shall be refunded upon request upon withdrawal or termination of membership for any reason. The Cooperative may require a deposit prior to service connection. Such deposit may be refunded after the final bill has been paid or may be applied against any underpaid billing, at the Cooperative’s option, upon discontinuance of service.

### *Section 3. Purchase of Electric Energy*

Each member shall, as soon as electric energy is available, purchase from the Cooperative all electric energy used on the premises referred to in the application of such member for membership, and shall pay therefor monthly at rates and price schedules which include a minimum bill and energy charges that shall

from time to time be fixed by resolution of the Board of Directors. Each member shall also pay all obligations which may from time to time become due and payable by such member to the Cooperative as and when the same shall become due and payable.

*Section 4. 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.

*Section 5. Expulsion of Members.*

The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of all the directors, 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 of Directors including the member's denial of easement rights as provided herein and in the Membership Application, but only if such member shall have been given written notice by the Board Secretary of the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board of Directors 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, shall be cancelled by resolution of the Board of Directors.

*Section 6. Withdrawal of Membership.*

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

*Section 7. Transfer and Termination of Membership.*

- (a) Membership in the Cooperative and a certificate representing the same shall not be transferable, except as hereinafter otherwise provided, and upon the death, cessation of existence, expulsion, cancellation of membership due to failure to purchase energy from the Cooperative as provided in Section 5 hereof, or withdrawal of a member, the membership of such member shall thereupon terminate and the certificate of membership of such member shall be terminated. Termination of membership shall not release the member from the debts or liabilities of such member to the Cooperative.
- (b) A membership may be transferred by a member to himself or herself and his or her spouse, as the case may be, jointly upon the written request of such member and compliance by such husband and wife jointly with the provisions of subdivisions (b) and (c) of Section 1 of this article. Such transfer shall be made and recorded on the books of the Cooperative and such joint membership noted on the original certificate representing the membership so transferred.
- (c) When a membership is held jointly by a husband and wife, upon the death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be, and the joint membership certificate may be surrendered by the survivor and upon the recording of such death on the books of the Cooperative the certificate may be reissued to and in the name of such survivor; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

*Section 8. Removal of Directors and Board Officers.*

Any member may bring charges against an officer or director by filing them in writing with the Board Secretary, together with a petition signed by ten percent (10%) 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 the members at such meeting. The director or officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior 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 or persons bringing the charges against him shall have the same opportunity.

*Section 9. Claims or Disputes Against the Cooperative*

Any claim or dispute between the Cooperative and a member or group of members concerning the Cooperative's Bylaws, Articles of Incorporation, Schedule of Rules and Regulations or other Cooperative governing document, provision of Cooperative service or members use of electric service provided by the Cooperative at the Cooperative's request shall be submitted to arbitration in accordance with Kentucky's Uniform Arbitration Act. Each party shall select an arbitrator and they shall select a third arbitrator who shall serve as Chairman. The Cooperative and the member(s) shall comply with the arbitration award.

*Section 10. Notification Medium.*

The publication, Kentucky Living, shall be the official notification medium of West Kentucky Rural Electric Cooperative Corporation to satisfy any notification requirements for members meetings, etc. as otherwise provided in these bylaws. The cost of a subscription to Kentucky Living for members is included as part of the cost of the electric service.

## **Article II – Meeting of Members**

*Section 1. Annual Meeting.*

The annual meeting of the members shall be held on the 2<sup>nd</sup> Saturday of July of each year at such place in one of the counties of Calloway, Carlisle, Graves, Hickman, or Marshall, State of Kentucky, as shall be designated in the notice of the meeting, for the purpose of electing directors, passing upon reports covering the previous year, and transacting such other business as may come before the meeting. If the election of directors shall not be held on the day designated therein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

*Section 2. Special Meetings.*

Special meetings of the members may be called by the affirmative vote of not less than two-thirds (2/3) of directors or upon a written request signed by at least ten percent (10%) of all the members and it shall thereupon be the duty of the Board Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Graves in the State of Kentucky specified in the notice of the special meeting.

*Section 3. Notice of Member's Meetings.*

Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered no less than seven (7) days nor more than twenty (20) days before the date of the meeting, either personally, electronically or by mail, by or at the direction of the Board Secretary, or by the persons calling the meeting, to each member; provided, however, that with respect to all meetings at which directors are to be elected such notice shall be so

delivered not less than seven (7) days nor more than fourteen (14) days before the date of the meeting. 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. If such notice is sent electronically it shall be deemed to be delivered on the date and at the time which it was sent. In case of a joint membership notice given to either husband or wife shall be deemed notice to both joint members. 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 any such meeting.

#### *Section 4. Quorum.*

One hundred (100) of the members present in person 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 or entity shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. 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. Anyone voting on behalf of an entity member must present evidence as requested by the Cooperative that authorizes them to vote on behalf of the entity member. At all meetings of the members of which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon in person, and voting by proxy shall not be permitted. The election of directors shall be by ballot, and each member shall be entitled to as many votes as shall equal the number of directors to be elected in his district, without right of cumulative voting.

#### *Section 6. 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:

1. Call of the roll.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of the unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

### **Article III – Directors**

#### *Section 1. General Powers*

The business and affairs of the Cooperative shall be managed by a board of ten (10) directors which shall exercise all of the powers of the Cooperative except 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.

#### *Section 2. Qualifications and Tenure*

The territory served or to be served by the Cooperative shall be divided into four districts. The districts shall be as follows: District 1 – Calloway County; District 2 – Carlisle and Hickman Counties; District 3 – Graves County; and District 4 – Marshall County. The Board of Directors shall at least one hundred sixty-five (165) days before the annual meeting determine how many directors from each district shall be elected at that year's annual members' meeting and shall notify the nominating committee what number of directors is to be elected in each district, and this information shall be included in the notice of annual



meeting. In deciding what number to elect in each district, the Board may consider the number of members in all geographical service areas of the Cooperative so as to have fair and reasonable representation in such areas. At each annual meeting of the members the appropriate number of directors, as such number has been determined by the Board, shall be elected by ballot by and from the members of their respective districts for a term of four (4) years each, as such terms have been determined by the Board, or until their respective successors have been elected and qualified, subject to the provisions of the Bylaws with respect to the removal of the directors. The length of director terms shall be determined by the Board and staggered so that the director terms of two (2) or more directors from the same director district may not coincide so that no directors' terms from any one district will expire in the same year.

The nominee receiving the most votes in his respective district shall be declared the winner. However, when the number of nominees does not exceed the number of directors to be elected from a particular district, secret written balloting shall be dispensed with in respect to that particular election and voting may be conducted in any other proper manner in the discretion of the person conducting the election. No member may be nominated for or elected director for a district other than the one in which he has resided for at least 12 consecutive months prior to the election date. No member shall be eligible to become or remain a director or to hold any position of trust in the Cooperative whose primary residence is not served by the Cooperative, who has been or is convicted of a felony, who does not have the legal capacity and competency to enter into binding contracts, who is employed by another cooperative or other utility, who sits on the board of another cooperative or utility, who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, who is the incumbent of or who has been officially elected to public office in connection with which a salary is paid, whose spouse is a current director or is a current nominee for a director position, who has been employed by the Cooperative, who is the parent of a current employee or who is the spouse of a former employee.

To remain a director or to hold any position of trust in the Cooperative, a director elected after 1997 must complete the National Rural Electric Cooperative Association (NRECA) Credentialed Cooperative Director (CCD) Certification or a similar NRECA certification program within his first four-year term on the Board, must complete the NRECA Board Leadership (BL) Certification or a similar NRECA certification program by the end of his second consecutive term on the Board and must complete a minimum of twelve (12) hours of cooperative continuing education per four-year term. In the event that a director is in violation of any of the foregoing provisions, said director shall be provided with a written notice of the violation(s) and given an opportunity to be heard in person or by counsel and to present evidence. By the affirmative vote of not less than two-thirds (2/3) of all the directors, the Board shall have the authority to remove any member holding office as a director in violation of the foregoing provisions. Nothing in this 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.*

It shall be the duty of the Board of Directors to appoint, not less than ninety (90) days nor more than one hundred sixty-five (165) days before the date of a 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 who shall be selected so as to give fair and reasonable representation on the committee to the geographical areas served or to be served by the Cooperative. No officer or member of the Board of Directors shall be appointed a member of such committee. The committee shall prepare and post at the principal office of the Cooperative at least seventy-five (75) days before the meeting a list of nominations for directors, but any fifteen (15) or more members may make other nominations in writing over their signatures not less than fifty (50) days prior to the meeting and the Board Secretary shall post, or cause to be posted, the same at the same place where the list of nominations made by the committee is posted. The Board Secretary shall mail or cause to be mailed with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by the committee on nominations and the nominations made by petition, if any. No nominations may be made from the floor. In the event that a nominated candidate for director is unable to fulfill his nomination commitment or ceases to be qualified to be a director prior to election at the annual meeting of the members, then the nominating committee will reconvene and nominate another candidate and shall forego the posting requirements as set forth above. The members may, at any meeting at which a director or directors shall be removed, as hereinbefore provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to

nominations. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

#### *Section 4. Resignation*

A director may resign at any time. To resign, a director must sign and deliver a written notice of resignation to the Board President or Board Secretary. Unless a later date is otherwise provided in a written notice of resignation, a director's resignation is effective when the Board President or Board Secretary receives the written notice of resignation.

#### *Section 5. Removal of Directors for Absence*

Any Board member who is absent from three consecutive regular meetings of the Board, unless excused by the affirmative vote of a majority of the other Board members, shall be deemed to have vacated his office.

#### *Section 6. Vacancies.*

After declaring a vacancy on the Board to exist, the remaining Board members, by majority vote, shall fill the vacancy by appointing a member residing within the vacated Board member's district to fulfill the director's unexpired term.

#### *Section 7. 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 or of the President & Chief Executive Officer (CEO) receive compensation for servicing the Cooperative unless such compensation shall be specifically authorized by a vote of the members. Close relative shall be defined as a person who, by blood or in law, including half, foster, step and adoptive relationship, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal. This provision does not prohibit the election of a director who is a close relative of an existing employee, officer, or agent. This provision also does not prohibit the part-time employment of a close relative for a summer internship or through a school coop program. However, it does prohibit the full-time employment of an officer, agent, or employee who is a close relative to an existing director or the President & Chief Executive Officer at the time.

#### *Section 8. 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 9. Accounting System and Reports.*

The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, is subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service (formerly the Rural Electrification Administration) of the United States of America. The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be available for the members at the following annual meeting.

## **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 the Cooperative's headquarters in Graves County or at such a time and place within one of the counties served by the Cooperative, as the Board of Directors may provide by resolution. 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 Board President or any three (3) 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.

### *Section 3. Notice.*

Notice of the date, 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, oral or electronic notice to each director at his 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 prepaid. If such notice is sent electronically, it shall be deemed to be delivered on the date and at the time which it was sent. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend the 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. A regular meeting of the Board of Directors or a special meeting of the Board of Directors may be conducted with absent directors participating, and deemed present in person, through any means of communication by which all directors participating in the board meeting may simultaneously hear each other during the board meeting. In the event that less than a majority of the directors is present at said meeting a majority of the directors present 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.

## **Article V – Officers**

### *Section 1. Number.*

The Board officers of the Cooperative shall be a Board President, Board Vice-President, Board Secretary, Board Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The offices of Board Secretary and of Board Treasurer may be held by the same person.

*Section 2. Election and Term of Office.*

The Board officers shall be elected by ballot annually by and from the Board of Directors at the first meeting of the Board of Directors held immediately after each annual meeting of the members. However, when there is only one nominee for any office, secret written balloting shall be dispensed with in respect to that particular election and voting shall be conducted in any other proper manner in the discretion of the person conducting the election. 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 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 or Resignation of Officers*

Any Board officer or agent elected or appointed by the Board of Directors may resign by submitting a written resignation to the Board President or Board Secretary.

Any Board officer by majority vote of the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interest of the Cooperative will be served thereby. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the board meeting at which the charges are to be considered and shall have the opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity.

*Section 4. Vacancies.*

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

*Section 5. Board President.*

The Board President: (a) shall be the principal officer of the Cooperative and shall preside at all meetings of the members and of the Board of Directors; (b) shall sign, with the Board Secretary, certificates of membership, the issue 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 (c) in general shall perform all duties incident to the office of Board President and such other duties as may be prescribed by the Board of Directors from time to time.

*Section 6. Board Vice-President.*

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

*Section 7. Board Secretary.*

The Board Secretary or his appointee(s) shall be responsible for: (a) preparing and maintaining minutes of Board and Member meetings; (b) seeing that all notices are duly given in accordance with these Bylaws or as required by law; (c) maintaining and authenticating the Cooperative's records; (d) affixing the Cooperative's seal to a document authorized or approved by the Board or Members; (e) keeping a register

of the post office address of each member; (f) signing with the Board President certificates of membership, which have been authorized by resolution of the Board of Directors; (g) having general charge of the books and records of the Cooperative; (h) keeping 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 a copy shall be available to any member upon request; and (h) in general performing all other duties incident to the office of Board Secretary while exercising all other authority as prescribed or assigned to him by the Board of Directors.

#### *Section 8. Board Treasurer.*

Except as otherwise provided by the Board or these Bylaws, the Board Treasurer shall perform all the duties incident to the office of Board Treasurer, shall have all responsibility, and may exercise all authority as prescribed to him by the Board of Directors.

#### *Section 9. President & CEO & Non-Director Officers*

The Board of Directors may appoint a President & CEO as general manager of the Cooperative who may be, but who shall not be required to be, a member of the Cooperative. The President & CEO shall perform such duties as the Board of Directors may from time to time require of him and shall have such authority as delegated to him by the Board of Directors. The non-director officers of the Cooperative, hired or appointed by the President & CEO, shall have such powers and shall perform such duties as shall be given them by the President & CEO.

#### *Section 10. Bonds of Officers.*

The Cooperative, at its sole expense, may purchase a bond covering any Cooperative board members or non-director officers.

#### *Section 11. Compensation of Officers*

The compensation of any Board officer, agent and the President & CEO of the Cooperative shall be fixed by the Board of Directors. The compensation of any non-director officers of the Cooperative shall be set by the President & CEO of the Cooperative.

#### *Section 12. Reports.*

Select Board officers and the President & CEO of the Cooperative shall submit at each annual meeting of the members, reports covering the business of the Cooperative for the previous year and showing the condition of the Cooperative at the close of such year.

### **Article VI – Indemnification of Officers, Directors, Employees and Agents.**

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, 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 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 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 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 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 or 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 attorney's 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 (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 or she 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, or otherwise, both as to action in his or 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 VII - 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 or the President & CEO 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 the President & CEO, such officer or officers, employee or employees, agent or agents, of the Cooperative and in such a manner as shall from time to time be determined by resolutions 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(s) or financial institutions as the Board of Directors may select.

## **Article VIII – 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 Board President and by the Board Secretary of the Cooperative and the corporate seal shall be affixed thereto.

*Section 2. Issue of Membership Certificates.*

No membership certificates shall be issued for less than the membership fee fixed in these Bylaws nor until such membership fee has been fully paid.

*Section 3. Lost Certificates.*

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

## **Article IX - Non-Profit Operation**

*Section 1. 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 2. Contributions to Capital.*

All amounts received and receivable from the furnishing of electric energy to members and non-members in excess of operating costs and expenses properly chargeable against the furnishing of electric energy are, at the moment of receipt by the Cooperative, received with the understanding that such amounts are furnished by the members and non-members as capital. Capital contributed by members and non-members shall be used only for capital purposes including, without limitation, new electric system construction, the retirement of electric systems indebtedness at or prior to maturity, and working capital adequate for all purposes including facilitation of general rate reductions. The Cooperative shall maintain such books and records as will enable it at any time to compute, upon reasonable notice, the amount of capital contributed during any given period by each of its members and non-members.

In the event of dissolution of the Cooperative, its affairs shall be liquidated in the manner provided by law. The trustees or directors in charge of such liquidation shall use the proceeds derived from liquidation to satisfy and discharge all outstanding liabilities and obligations of the Cooperative. To the extent

permitted by law, any remaining proceeds of liquidation shall be disposed of as follows: 1. The aggregate amount of capital contributed by members of the Cooperative during the period of its existence shall be determined and such remaining proceeds up to such aggregate amount shall be returned to such members in proportion to the respective amounts of capital contributed by them. 2. The remaining liquidation proceeds, if any, shall be distributed ratably among the members holding membership as of the time it ceased to conduct its business of supplying electric power and energy.

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.

## **Article X – 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 XI - Disposition of Property**

The Cooperative may not in any one year sell, lease or otherwise dispose of more than ten percent (10%) in value of all the property of the Cooperative (other than merchandise and property acquired for resale) unless such sale, lease or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all of the members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of the Cooperative, without authorization by the members thereof, 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, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative; provided further that the Board may upon the authorization of a majority vote of all the members of the Cooperative, sell, lease, or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this state pursuant to the Act under which this Cooperative is incorporated.

## **Article XII – Fiscal Year**

The fiscal year of the Cooperative shall begin on the first day of July of each year and end on the thirtieth day of June of the following year.

## **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 two-thirds (2/3) of all of 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.



## **Article XV – Bylaw Terms & Provisions**

The terms and provisions of these Bylaws shall be applicable to all members of the Cooperative and shall supersede and prevail over any other terms or provisions of previous editions of the Bylaws that may be inconsistent herewith or over any other written agreement or policies of the Cooperative that may be inconsistent herewith.

## **Article XVI – Gender Identification**

As used in these Bylaws, words of the masculine gender shall mean and include words of the feminine gender.

## **Statement of Nondiscrimination**

West Kentucky Rural Electric Cooperative Corporation is the recipient of Federal financial assistance from the Rural Utilities Service (formerly the Rural Electrification Administration), an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, age or handicap shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is the President & CEO of the Cooperative. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Secretary, U.S. Department of Agriculture, Washington, D.C. 20250; or the Administrator, Rural Utilities Service (formerly the Rural Electrification Administration), Washington, D.C. 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

## Board of Directors and Officers

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**As of July 12, 2014**

*Troy English, Board President*  
2837 Griggstown Road, Calvert City, KY 42029

*Kevin Crider, Board Vice President*  
75 County Road 1136, Arlington, KY 42021

*Bob Hargrove, Board Secretary Treasurer*  
21 Lake Shore Drive, New Concord, KY 42076-9417

*Benny Adair, Board Member*  
730 Griggstown Road, Calvert City, KY 42029

*Dennis Barnes, Board Member*  
3385 Mayfield Highway, Benton, KY 42025

*Ted Lovett, Board Member*  
5075 State Route 121 N, Murray, KY 42071

*Jamie Potts, Board Member*  
1107 Potts Road, Kirksey, KY 42054-9139

*Robert L. Spalding, Sr., Board Member*  
442 Rule Shack Road, Mayfield, KY 42066

*Chad Willett, Board Member*  
P. O. Box 234, Fancy Farm, KY 42039

*Eddy Wright, Board Member*  
215 Autumn Ridge Drive, Mayfield, KY 42066

*David Smart, President and Chief Executive Officer*  
P. O. Box 589, Mayfield, KY 42066

*Gayle Robbins, Attorney*  
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Attorneys at Law  
101 South 7<sup>th</sup> Street, Mayfield, KY 42066