

VALLEY ELECTRIC PRIZE DRAWING RULES

I. Date and Location of Prize Drawing

Valley Electric Membership Corporation (hereinafter AValley Electric@) will be holding a prize drawing on January 30, 2010 at Natchitoches Central High School, Natchitoches, Louisiana (hereinafter the APRIZE DRAWING@).

II. Prizes

Valley Electric will select a Prize Drawing Ticket properly submitted by an eligible member, as set forth herein, and award the following prizes to the participating and eligible member whose Prize Drawing Ticket is selected (hereinafter APRIZE@ or APRIZES@):

- 1st prize: 2009 Silverado pickup, regular cab
- 2nd prize: 2009 17'4" Nitro X4 bass boat with 115 hp Mercury Optimax motor and Trailstar trailer
- 3rd prize: 2009 Honda TRX500FM9 All Terrain Vehicle
- 4th prize: 55" Vizio Flat Screen LCD HD TV
- 5th prize: 55" Vizio Flat Screen LCD HD TV

The PRIZES listed above are those that are proposed to be awarded in the PRIZE DRAWING. However, at its sole discretion, Valley Electric can withdraw, remove, and/or eliminate any item as a PRIZE offered in the PRIZE DRAWING and substitute a different item as a PRIZE in the PRIZE DRAWING in place of one or more of the PRIZES listed above.

In addition, the first 2,000 persons that vote in the Special Members= Election conducted by Valley Electric on January 30, 2010 at Natchitoches Central High School, Natchitoches, Louisiana (hereinafter "ELECTION") will received a Wal-Mart gift card valued at twenty dollars (\$20).

III. Eligibility

The following persons are **NOT** eligible to submit a Prize Drawing Ticket or to receive any of the foregoing PRIZES:

- (1) Any and all current employees of Valley Electric;
- (2) Any and all current employees of Southwestern Electric Power Company (hereinafter SWEPCO@);
- (3) Any and all direct relatives of any current employee of Valley Electric or SWEPCO that live with any current employee of Valley Electric or SWEPCO or that maintain their residence in the same household as any current employee of Valley Electric or SWEPCO. This necessarily includes, but is not limited to any and all grandparents, parents, spouses, children, step-children, grandchildren, siblings, or step-siblings of any employee of Valley Electric or SWEPCO who live with or maintain their residence in the same household as any current employee of Valley

Electric or SWEPCO;

- (4) Any and all persons who live with or maintain their residence in the same household as any current employee of Valley Electric or SWEPCO, whether or not those persons are direct relatives of the current employees of Valley Electric or SWEPCO;
- (5) Any and all persons who serve on the Board of Directors of Valley Electric or SWEPCO;
- (6) Any and all direct relatives of any current member of the Board of Directors of Valley Electric and SWEPCO who live with or maintain their residence in the same household as any current member of the Board of Directors of Valley Electric or SWEPCO; and
- (7) Any and all persons serving as or holding the position of a Louisiana Public Service Commissioner on the date of the PRIZE DRAWING.

Furthermore, in order to be eligible to win a prize in the PRIZE DRAWING, each person participating in the PRIZE DRAWING **must**:

- (1) be a current member of Valley Electric;
- (2) be eligible to participate in the ELECTION;
- (3) have participated in the ELECTION; and
- (4) have submitted a Prize Drawing Ticket properly identifying the member of Valley Electric eligible to participate in the PRIZE DRAWING in the proper receptacle by the close of the ELECTION.

IV. Tickets

A. Distribution

Each member eligible to participate in the ELECTION will receive one (1) Prize Drawing Ticket for each vote he, she, or it is allowed to cast.

The Prize Drawing Tickets will be distributed to the members upon completion of voting.

B. Submission of Tickets

The identifying information requested on the Prize Drawing Ticket must be completed in order for the Prize Drawing Ticket to be validly submitted.

THE NAME OF THE MEMBER OF VALLEY ELECTRIC THAT IS ELIGIBLE TO VOTE MUST BE PLACED ON THE PRIZE DRAWING TICKET. Failure to identify the eligible member of Valley Electric will render the Prize Drawing Ticket void and will disqualify the eligible member from the PRIZE DRAWING.

Prize Drawing Tickets must be submitted in the proper receptacle **before** the close of the ELECTION. Any Prize Drawing Ticket that is not submitted in the proper receptacle is void and

will NOT be eligible to be selected as a winning ticket in the PRIZE DRAWING.

V. Procedure for Selecting Winning Tickets

A Certified Public Accountant (ACPA@) and two (2) additional witnesses that are not employed by Valley Electric or SWEPCO, that are not direct relatives of any current employee of Valley Electric or SWEPCO, that are not on Valley Electric's Board of Directors, that are not direct relatives of any member of the Board of Directors of Valley Electric, and that are not serving as a Public Service Commissioner as of the date of the PRIZE DRAWING will physically select the winning Prize Drawing Tickets. The CPA and the two (2) witnesses will be selected by Valley Electric. Employees of Valley Electric and the Board of Directors of Valley Electric may be present during the selection of the winning Prize Drawing Tickets.

One (1) winning Prize Drawing Ticket will be selected for each PRIZE offered by Valley Electric in the PRIZE DRAWING on January 30, 2010. The winning Prize Drawing Tickets will be selected randomly from a hopper on January 30, 2010 on the premises of Natchitoches Central High School after the close of the ELECTION. The winning Prize Drawing Tickets will be placed in sealed envelopes that identify the PRIZE won by the particular Prize Drawing Ticket and the member of Valley Electric that submitted the selected Prize Drawing Ticket. The sealed envelopes will be kept in the possession of the CPA. Additionally, three (3) separate logs will be created by the CPA and the two (2) witnesses. These logs shall identify: (a) the winning Prize Drawing Tickets; (b) the particular PRIZE related to each individual Prize Drawing Ticket; and (c) the member of Valley Electric that submitted each Prize Drawing Ticket. A copy of these logs will be provided to Valley Electric and/or the Board of Directors of Valley Electric. The original logs will be kept in the possession of the CPA for an appropriate amount of time.

A secondary selection of winning Prize Drawing Tickets will also be conducted on January 30, 2010 after the close of the ELECTION on the premises of Natchitoches Central High School. The secondary selection of Prize Drawing Tickets will be conducted in the same manner as the selection of the primary winning Prize Drawing Tickets, with the sealed envelopes and the original logs being maintained in the possession of the CPA. The purpose of the secondary selection of winning Prize Drawing Tickets is to provide a winning Prize Drawing Ticket for each PRIZE in the event that a winning Prize Drawing Ticket was submitted by a person who is not validated as a member of Valley Electric as being eligible to participate in the ELECTION and, thus, who is not eligible to participate in the PRIZE DRAWING.

Any ticket that is selected as a winning Prize Drawing Ticket is NOT returned to the hopper and is NOT eligible to be selected as the winning Prize Drawing Ticket for another PRIZE.

Those Prize Drawing Tickets that are not selected as winning Prize Drawing Tickets will be placed into box(es) and sealed with secure tape under the supervision of the CPA and the two (2) individual witnesses. The Prize Drawing Tickets will be kept and maintained in the possession of the CPA.

VI. Verification of Winners

Verification of the validity of the membership in Valley Electric of those persons whose Prize Drawing Tickets were selected as winning a PRIZE in the PRIZE DRAWING will be conducted by employees and/or the Board of Directors of Valley Electric under the supervision of the CPA that supervised the selection of the winning Prize Drawing Tickets. This verification may take place any time after the close of the ELECTION and the selection of the primary and secondary winning Prize Drawing Tickets.

If the person/member whose Prize Drawing Ticket was selected to win a particular PRIZE in the PRIZE DRAWING is not deemed eligible to participate in the ELECTION or otherwise is not deemed to be a valid member of Valley Electric by the Board of Directors of Valley Electric, that person is disqualified from the PRIZE DRAWING and the Prize Drawing Ticket(s) submitted by that person is void. Should the verification process result in the disqualification of a person whose Prize Drawing Ticket was chosen as a winning Prize Drawing Ticket, then verification of the member whose Prize Drawing Ticket was chosen in the secondary selection of Prize Drawing Tickets to receive that particular PRIZE will be conducted in the same manner as the verification of the membership of the person submitting the primary Prize Drawing Ticket.

Should it be necessary to conduct a third selection (or even further additional selections) of a winning Prize Drawing Ticket for any PRIZE, the CPA that supervised the primary and secondary selections will supervise the placement of the remaining Prize Drawing Tickets from the sealed boxes into a hopper and will select another winning Prize Drawing Ticket in the presence of two witnesses that are not affiliated or employed by Valley Electric or SWEPCO or a direct relative of a person affiliated or employed by Valley Electric or SWEPCO. Upon completion of any additional selections, the remaining Prize Drawing Tickets will be replaced into boxes and sealed under the supervision of the CPA and those boxes will be kept and maintained in the possession of the CPA for an appropriate amount of time.

VII. Other Miscellaneous Issues

A. Notification

The names of the members submitting the winning Prize Drawing Tickets will be placed on the Valley Electric webpage at www.valleyelectric.coop. In addition, the members submitting the winning Prize Drawing Tickets will be sent written notification via U.S. Mail and/or email at the addresses provided on the Prize Drawing Tickets. All winners of PRIZES must claim their PRIZE within thirty (30) days of the date of the mailing of the written notification by the means set forth in the written notification. Failure to claim the PRIZE within thirty (30) days of the date of the mailing of the written notification will result in the forfeiture of the PRIZE. No additional selection of a winning Prize Drawing Ticket for the PRIZE will be required of Valley Electric or the Board of Directors of Valley Electric should a PRIZE not be claimed.

B. Delivery

It is the responsibility of the members submitting the winning Prize Drawing Tickets to arrange for and/or pay for the pick-up or delivery of the PRIZES. Valley Electric is not responsible for delivery of any PRIZE to any member.

C. Taxes, Title, & Other Fees

Income taxes, sales taxes, and any and all other types of taxes imposed by the federal, state, and/or local governments for a PRIZE are the sole responsibility of the member submitting the winning Prize Drawing Ticket for the PRIZE. Any other fees, including tax, title, and license fees required by any federal, state, and/or local government for a PRIZE are also the sole responsibility of the member submitting the winning Prize Drawing Ticket for the PRIZE.

D. Insurance

It is the sole responsibility of the member that wins each PRIZE to obtain insurance to comply with federal, state, and local laws and regulations prior to the operation of the PRIZE. Valley Electric is not liable or responsible for any loss or damage to the PRIZE.

E. Warranty

The Prize is provided to the member submitting the winning Prize Drawing Ticket **AS IS AND WHERE IS AND WITHOUT ANY WARRANTY WHATSOEVER.**

F. Waiver of Liability

By accepting the PRIZE, the member agrees to release Valley Electric from any and all liability arising out of participation in the PRIZE DRAWING, the use of the PRIZE, and/or the misuse of the PRIZE by an person whatsoever, even if such liability should arise as a result of Valley Electric=s own negligence or actions.

G. Minors

In the event a member submitting the winning Prize Drawing Ticket is not eighteen (18) years old on the date of the ELECTION or as of the date of the delivery or pick-up of the PRIZE, the minor=s parent and/or guardian must indicate in writing suitable to Valley Electric: (a) his or her consent to the minor claiming and accepting the PRIZE; and (b) his or her consent to be bound by the terms and conditions of the PRIZE DRAWING as set forth herein.