

BY-LAWS

ARTICLE I

PURPOSES

That North Central Public Power District, a political subdivision organized and existing under the laws of the state of Nebraska, has been formed and organized for the following purposes: distribution and sale of electricity, to provide electrical products and services, to provide satellite television hardware and programming, to provide satellite television products and services, and other ventures and purposes as authorized by the Board of Directors under authority granted to the Board by the laws of the State of Nebraska and the United States of America.

DIRECTORS

The business and affairs of North Central Public Power District shall be managed by a Board of Directors, which shall exercise all the corporate powers of the District according to authority granted by the State of Nebraska and the United States of America. All matters of qualification, removal, vacancy, compensation, and setting of rates shall be as provided by the current statutes and regulations of the State of Nebraska and the United States of America.

Section 1. Powers. The corporate powers of North Central PPD shall be vested in the Board of directors, subject to the law of the State of Nebraska and the provisions of the District's Petition for Creation as the same may be amended from time to time. The powers of the District shall be exercised in such manner as to confer upon the District's customers the benefits of a successful and profitable operation and conduct of its business, (70-655) and to make electric power and energy and service relative thereto available at the lowest cost consistent with sound economy and good management. The number of directors shall be as specified in the District's Petition for Creation as the same may be amended from time to time.

Section 2. Qualifications and Tenure. The persons presently serving as directors of the District shall compose a board of directors until their successors have been elected and shall have qualified, as provided by law. No person shall be qualified to hold office as a member of the board of directors unless he or she shall be an elector of the District or otherwise eligible under the law of Nebraska. Before entering upon the duties of office, every member shall take the oath of office.

Section 3. Removal. Members of the board of directors may be removed from office for the reasons and in the manner provided by the laws of the State of Nebraska.

Section 4. Vacancies. A vacancy on the board of directors shall exist in the event of the death, disability, resignation, failure to qualify or removal from the District of any director, removal for unexcused absence from two or more consecutive board meetings, forfeiture of office, conviction of a felony or of any public offense involving the violation of the oath of office, or assuming another elective office contrary to law (70-615) or for any other reasons specified in the statutes

of the State of Nebraska. Vacancies shall be filled in accordance with the statutes of the State of Nebraska.

Section 5. Compensation. Members of the board of directors shall be paid their actual expenses while engaged in performing the duties of their office or while otherwise engaged in the business of the District, (70-624.02) and in addition shall receive compensation not exceeding the compensation allowable under the statutes of Nebraska, at a rate to be determined from time to time by the board of directors.

Section 6. Rules and Regulations. The board of directors shall have power to make and adopt such rules and regulations, not inconsistent with law or these by-laws as it may deem advisable for the management, administration and regulation of the business and affairs of the District (70-621).

Section 7. Accounting System and Reports. The board of directors shall cause to be kept accurate minutes of their meetings and accurate records and books of account, conforming to approved methods of bookkeeping, clearly setting out the reflecting the operation, management and business of the District. Said books and records shall be kept at the principal place of business of the District and at reasonable hours shall be open to public inspection (70-622). The board of directors shall, at the close of each year's business, cause an audit of the books, records and financial affairs of the district to be made by a certified public accountant or firm of such accountants, who shall be selected by such board. Written copies of the audit shall be placed and kept on file at the principal place of business of the District, and shall be filed with the Auditor of Public Accounts and the Nebraska Power Review Board (70-623 as amended) within one hundred eighty days after December 31 of each year.

ARTICLE II

MEETINGS

Section 1. Annual Meeting. The annual meeting of the Board of Directors shall be on the third Monday of January of each year beginning with the year 1950, at the District Headquarters office, City of Creighton, Knox County, Nebraska, for the purpose of electing officers, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. If the election of officers shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting as soon thereafter as conveniently may be.

Section 2. Regular Meetings. A regular meeting of the board of directors shall be held monthly at the principal office of the District or other venue as directed by prior action of the board of directors which complies with the requirements of *Neb.Rev.Stat.* Section 84-1412 (Reissued 2009, as amended). The board of directors by resolution shall fix the hour and date. Notice of the time of meeting shall be given as provided by law.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by the President or any three (3) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time. The place shall be the District Headquarters Office or other venue as decided by the President or any three (3) directors so calling such meeting which complies with the requirements of *Neb.Rev.Stat.* Section 84-1412 (Reissued 2009, as amended).

Section 4. Notice. Notice of the time, place and purpose of any regular or special meeting of the board of directors shall be given as provided by law. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, properly addressed, with postage thereon prepaid. The attendance of directors 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 5. 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 is present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 6. 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 7. Order of Business. The order of business at the regular meetings of the board of directors meetings shall be essentially as follows:

- a. Call of the roll; notice of meeting and proof of mailing; or the waiver of notice of the meeting, as the case may be.
- b. Review of unapproved minutes of previous meetings of the board of directors and the taking of necessary action thereon.
- c. Election of Officers (when appropriate).
- d. Public Comment.
- e. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
- f. Staff Reports
- g. Safety Report.
- h. Manager's Report.
- i. Review and approval of Operating & Capital Budgets (when appropriate).
- j. Review and approval of financials.
- k. Review and approval of expenditures covering all monetary encumbrances of the District.
- l. Adjournment.

ARTICLE III

OFFICERS

Section 1. Number. The officers of the District shall be a President, Vice-President, Secretary and Treasurer.

Section 2. Election and Term of Office. The officers of the District shall be elected by ballot annually by and from the board of directors at the first regular monthly meeting thereof in January of each year. Each officer shall hold office until the next succeeding regular monthly meeting in January and until his or her successor shall have been duly elected and shall have qualified, subject to the provisions of these by-laws with respect to removal of officers. If election of officers shall not be held at such regular monthly meeting, a special meeting shall be called for such purpose.

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 District will be served thereby.

Section 4. Vacancies. 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:

- (a) be the principal executive officer of the District and shall preside at all meetings of the Board of Directors;
- (b) Sign, with the Secretary, all 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 by-laws to some other officer or agent of the District, or shall be required by law to be otherwise signed or executed;
- (c) In general, 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 the absence of the President, or in the event of his 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 by the Board of Directors.

Section 7. Secretary. The Secretary shall:

- (a) keep the minutes of the Board of Directors in one or more books provided for the purposes;
- (b) see that all notices are duly given in accordance with these By-Laws or as required by law;
- (c) be custodian of the corporate records and of the seal of the District;
- (d) sign with the President or the Vice-President, in the name of the District, all contracts, notes, debentures, warrants, or other obligations authorized by the Board of Directors;
- (e) have general charge of the books of the District;

- (f) in general, perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned to him by the Board of Directors.

Section 8. Treasurers. The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the District;
- (b) upon approval of the Board of Directors, sign with the President or Vice-President all warrants for the expenditures of money; and
- (c) in general, perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the Board of Directors.

Section 9. Bonds of Officers. The board of directors shall require the Treasurer or any other officer of the District charged with responsibility for the custody of any of its funds or property, to furnish and maintain a corporate bond in an amount sufficient to cover all moneys coming into his or her possession or control, but not to exceed the amount of \$100,000, which bond shall be satisfactory in form and with sureties approved by the board (70-620). The approved bond shall be filed as provided by law.

Section 10. Other Officers. The powers, duties and compensation of any other officers, agents and employees shall be fixed by the board of directors, subject to provisions of law.

Section 11. Reports. The Officers of the District shall submit at each annual meeting, or as soon as reasonable, reports covering the business of the District for the previous fiscal year and showing the condition of the District at the close of the fiscal year.

Section 12. Manager. A manager may be employed on such terms, as the Board of Directors deems advisable. He shall be the chief executive officer of the District and, subject to the control of the Board of Directors, such manager, shall conduct and administer the affairs of the District in an efficient and economical manner.

ARTICLE IV

CONTRACTS, CHECKS AND DEPOSITS

Section 1. Contracts. Except as otherwise provided in these by-laws, 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 District, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, ect. All checks, drafts or other orders for the payment of money issued in the name of the District shall be signed by the President or Vice President and Treasurer of the District or such other persons as may be designated from time to time by the Treasurer and the Board of Directors (70-643). The authority of the District to sign checks,

drafts or other reorders for the payment of money may be general or may be confined to specific instances. Unless otherwise directed by the Board of Directors, the use of facsimile signatures with the permission of a person having authority to sign shall be lawful.

ARTICLE V

WAIVER OF NOTICE

Any director may waive, in writing, any notice of meeting required to be given by these By-Laws.

ARTICLE VI

FISCAL YEAR

The fiscal year of the District 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 VII

SEAL

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

ARTICLE VIII

AMENDMENTS

These by-laws may be altered, amended or repealed by the members of the board of directors at any regular meeting, and at a special meeting provided the notice of such special meeting shall have contained a copy of the proposed alteration, amendment or repeal.

ARTICLE IX

INDEMNIFICATION

If any legal action shall be brought against any person who is or was a director, officer or employee, based upon the negligent error or omission of such person while in the performance of such persons' lawful duties, the District shall defend such person and shall pay any final judgment rendered against such person in the action. To the extent not covered by any liability insurance policy, or policies, each such person who is or was a director, officer, or employee of the District, shall be indemnified and held harmless by the District, to the full extent permitted or authorized by law, for any costs, charges, expenses, attorneys fees, settlements approved by the

District, and judgments, which may be imposed upon or incurred by each such person, arising by reason of any act or omission in any manner relating to the performance, attempted performance, or failure of performance of such person's official duties as such director, officer, or employee. Neither the District nor any insurance company shall have any right or restitution or subrogation against any such director, officer, or employee.

ARTICLE X

OPEN MEETINGS / CLOSED SESSIONS

Section 1. Open Meeting Laws. In all respects sessions of the board and action in relation to closed sessions shall be in accordance with the open meeting laws of the State of Nebraska, including all requirements as to notices, agenda, minutes, public participation and conduct of meetings.

Section 2. Closed Sessions. Any regular or special meeting of the Board of Directors duly convened, may be closed to the public upon the affirmative vote of the majority of the members present, taken in open session. Any such meeting may be closed where clearly necessary for the protection of the public interest or for the prevention of needless injury to the reputation of an individual and if such individual has not requested a public meeting. Closed sessions may be held for, but not limited to (a) strategy sessions with respect to collective bargaining, real estate purchases, or litigation; (b) discussions regarding deployment of security personnel or devices; (c) investigative proceedings regarding allegations of criminal misconduct; or (d) evaluation of the job performance of a person when necessary to prevent needless injury to the reputation of a person and if such person has not requested a public meeting. A closed session may not be held for discussion of the appointment or election of a new member to any public body (84-1410).

Section 3. Voting. The vote to hold a closed session will be by roll call taken in open session. In addition to recording the vote of each board member on the question of holding a closed session, the reason for the closed session, and the time when the closed session commenced and concluded shall be recorded in the minutes. The board of directors shall restrict its consideration of matters during the closed sessions to only those purposes set forth in the minutes as the reason for the closed session. The meeting shall be reconvened in open session before any formal action is taken. For purposes of this section, formal action shall mean a collective decision or a formal commitment or promise to make a decision on any question, motion, proposal, resolution, order, or ordinance or formation of a position or policy, but shall not include negotiating guidance given by members of a public body to legal counsel, or other negotiators in closed sessions authorized (84-1410) (2) under the above provisions as to strategy sessions.

Section 4. Challenge. Any member of the Board may challenge the continuation of a closed session if the member determines that the session has exceeded the reasons stated in the original motion to hold a closed session or if the member contends that the closed session is neither clearly necessary for (a) the protection of the public interest of (b) the prevention of needless injury to the reputation of an individual. Such challenge shall be overruled only upon a roll call vote by majority of the members present. Such challenge and its disposition shall be recorded in the minutes (84-1410) (3).

All members of the board shall be notified and invited to all board meetings. No subcommittee of the whole shall be designated for the purpose of circumventing the open meeting law. The open meeting law does not apply to chance meetings, attendance at or travel to conventions or workshops at which there is no meeting of the body intentionally convened and no vote or other action taken over which the body has supervision, control, jurisdiction or advisory power. No closed session, informal meeting, chance meeting, social gathering or electronic communication shall be used for the purpose of circumventing the open meeting law (84-1410) (4).

Dated this 21st day of February 2011.

SEE SIGNED COPY IN BOARD BOOK AND SEE SIGNED COPY IN THE FILE 1000-19A BY-LAWS (NCPD)