

**BY-LAWS
OF
KBR RURAL PUBLIC POWER DISTRICT OPERATION
ROUNDUP FUND**

ARTICLE 1

NAME OF ORGANIZATION

The name of the organization shall be the KBR Rural Public Power District Operation Roundup Fund; hereinafter referred to as **"FUND"**.

ARTICLE II

PURPOSE OF ORGANIZATION

The purpose of the FUND shall be the accumulation and disbursement of funds for charitable and benevolent purposes in Brown, Cherry, Keya Paha, and Rock Counties of Nebraska as set forth in the Articles of Incorporation. Upon dissolution of the FUND, any remaining funds shall be distributed to other area 501-C3 corporations.

ARTICLE III

FUNDING

The FUND shall receive funds from the membership of KBR Rural Public Power District and any other source of funds available to the said FUND pursuant to rules and regulations as shall be promulgated by the Board of Directors of KBR Rural Public Power District.

ARTICLE IV

BOARD OF DIRECTORS

The FUND shall be administered by a four (4) person Board of Directors. The initial Board of Directors shall be composed of four (4) persons residing in Brown, Cherry, Keya Paha, and Rock Counties as designated by the Board of Directors of KBR Rural Public Power District. The Board shall have one (1) member from Brown County, one (1) member from Cherry County and one (1) member from Keya Paha County and one (1) member from Rock County.

A member may serve on the FUND board until such time as they resign or are replaced by a vote of the KBR Rural Public Power District Board of Directors.

ARTICLE V

QUALIFICATIONS OF BOARD MEMBERSHIP

A Board member of the FUND shall be at least eighteen (18) years of age, a permanent resident of the county from which he is chosen and must be a customer of KBR Rural Public Power District. No person seeking or holding a seat on the Board of Directors of KBR Rural Public Power District shall remain a member of the FUND board.

ARTICLE VI

SELECTION OF BOARD OF DIRECTORS

The initial Board of Directors shall be designated by the Board of Directors of KBR Rural Public Power District. Thereafter, when vacancies are to be filled persons shall be named to their respective vacancies on the said Board of Directors by a vote of the Board of Directors of KBR Rural Public Power District. The existing Board of Directors of the FUND may make recommendations to the KBR Rural Public Power District for nominees for the FUND Board.

ARTICLE VII

COMPENSATION FOR DIRECTORS

No director shall receive compensation for serving on the Board of Directors of the FUND. Such Board members may, however, be reimbursed for mileage and out of pocket expenses incurred while on the business of the FUND when such business is sanctioned by the Board of Directors of said FUND.

ARTICLE VIII

MEETING OF BOARD OF DIRECTORS

- A. **REGULAR MEETING**: The Board of Directors of the FUND shall meet not less than quarterly at a place designated by the Board. The Board of Directors may meet at such other times as they may deem at their discretion to be necessary.
- B. **SPECIAL MEETINGS**: Special meetings of the Board of Directors may be called by the President or by any two (2) Directors and it shall thereupon be the duty of the Secretary to cause a Notice of such meeting to be given as hereafter provided. The Chairman of Directors calling such meeting shall fix the time and place.

C. NOTICE OF DIRECTOR MEETINGS: Written notice of the time and place of regular and special meetings of the Board of Directors shall be delivered to members of the Board not less than five (5) days prior thereto, either personally, by mail, or at the direction of the Secretary, and upon default in that duty by the Secretary, then by the Chairman or the Directors calling for such meeting.

ARTICLE IX

QUORUM

A majority of the Board of Directors shall, unless otherwise designated in these Articles, constitute a quorum. In the event that less than a majority of the Board of Directors is present at any meeting, the majority of those Directors present may adjourn that meeting and designate a place and time for the next meeting, under which circumstances the Secretary shall notify the absent members of the place and time of the next meeting. An act of the majority of the Board of Directors present at any meeting at which a quorum is present, and unless otherwise provided in these By-Laws, shall be the act of the Board of Directors of the FUND.

ARTICLE X

REMOVAL OF MEMBER OF BOARD

Any member of the Board of Directors of the FUND shall automatically cease to be a member of said board if and in the event such member misses three (3) successive "regular" meetings as outlined in Section "A" of Article VIII of these By-Laws. Any member of the Board of Directors of the FUND may otherwise be removed for cause from the Board by a two-thirds (2/3) vote of the entire Board of Directors of the FUND, or by two-thirds (2/3) vote of the entire Board of Directors of KBR Rural Public Power District.

ARTICLE XI

OFFICERS OF THE FUND

The officers of the FUND shall be a Chairman, a Vice-Chairman, a Secretary and a Treasurer, and such other officers as may be determined by the Board from time to time. For the purposes of these By-Laws, the above four (4) officers shall constitute the Executive Committee of the FUND.

ARTICLE XII

ELECTION OF OFFICERS AND TERMS OF OFFICE

The officers shall by secret ballot be elected annually by the Board of Directors at a meeting of the Board of Directors held on an annual basis after the initial organizational meeting.

The terms of office shall be for one (1) years; however, nothing shall prevent an officer from being re-elected to consecutive terms of office.

ARTICLE XIII

EX OFFICIO MEMBERS OF BOARD OF DIRECTORS

The General Manager of KBR Rural Public Power District shall be an ex officio member of the Board of Directors of the FUND. The FUND may from time to time have other such ex officio members as the Board of Directors may in its discretion determine as necessary or prudent.

ARTICLE XIV

POLICIES, RULES AND REGULATIONS

The Board of Directors of the FUND shall have the power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these By-Laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the FUND.

ARTICLE XV

DUTIES OF OFFICERS

- A. **CHAIRMAN**: The Chairman shall be the principal executive officer of the FUND and, unless otherwise determined by the Board of Directors, shall preside at all meetings of the Board of Directors and in general perform all duties incidental to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time.
- B. **VICE CHAIRMAN**: In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions

upon the Chairman. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him/her by the Board of Directors.

- C. **SECRETARY**: The Secretary shall be responsible for the keeping of the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; be responsible for seeing that all notices are duly given in accordance with these By-Laws or as required by Law; be custodian of the corporate records and of the seal of the FUND and affix the seal of the FUND to all necessary documents, the execution of which on behalf of the FUND under its seal is duly authorized in accordance with the provision of these By-Laws; have general charge of the books of the FUND; be responsible for the keeping on file at all times a complete copy of the Articles of Incorporation and By-Laws of the FUND containing all amendments thereto; and, in general, perform all duties incidental to the office of the Secretary and such other duties as from time to time may be assigned to him/her by the Board of Directors.
- D. **TREASURER**: The Treasurer shall have charge and custody of and be responsible for all funds and securities of the FUND; be responsible for the receipt of and the issuance of receipts for monies due and payable to the FUND from any source whatsoever, and for the deposit of all such monies in the name of the FUND in such bank or banks as shall be selected in accordance with the provisions of these By-Laws; and in general perform all the duties incidental 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.

ARTICLE XVI

CHECK SIGNING

Any and all checks issued by the FUND, for any purpose, shall be signed by the FUND treasurer and such other person(s) as may be designated by the Board of Directors as having check signing authority. Any and all check issued by the FUND will require two signatures.

ARTICLE XVII

DISBURSEMENT OF FUNDS

Except as otherwise provided by these By-Laws, the Board of Directors of the FUND shall have the full and sole responsibility for the disbursement of all monies of the FUND in accordance with these By-Laws and the policies as adopted by the Board of Directors.

Prior to the consideration, by the Board of Directors of the FUND, of any disbursement, member(s) of the Board of Directors of the FUND shall disclose and explain any personal and/or business interest, connection, kinship, or other association he or she has with the person, family, group, corporation or other entity under consideration for funding by the FUND.

Such member shall, if requested by the Chairman or any two (2) members of the Board of Directors of the FUND, excuse him or herself from the meeting and not participate in the discussion of or voting on the disbursement.

If no request is made that the interested director excuse him or herself from the meeting, then and in that event, said director may participate in the discussion of the disbursement but shall not vote on the disbursement.

ARTICLE XVIII

ACCUMULATION OF FUNDS

KBR Rural Public Power District shall transfer funds collected by it for benefit of the FUND on monthly basis. The FUND may also solicit and accept contributions from other sources as deemed appropriate by its Board of Directors.

ARTICLE XIX

INVESTMENT OF FUNDS

The Board of Directors of the FUND shall be responsible for the funds entrusted to it and shall make such investment of said funds in a manner which is reasonable and prudent and in keeping with these By-Laws and the policies of the FUND.

ARTICLE XX

AMENDMENT OF BY-LAWS

These By-Laws may be altered, amended, or repealed by the Board of Directors of KBR Rural Public Power District at any regular meeting of said Board after at least a ten (10) day notice. The Board of Directors of the FUND may make advisory recommendations to the Board of Directors of KBR Rural Public Power District.

ARTICLE XXI

ACCOUNTING SYSTEM & REPORTS

The Board of Directors of the FUND shall cause to be established and maintained a complete accounting system such that is in keeping with sound financial management; and furthermore, the Board of Directors of the FUND shall make reports to the Board of Directors of KBR Rural Public Power District on the operation and expenditures of the FUND as may be necessary and prudent, but in no case less than annually.

ARTICLE XXII

POLITICAL CONTRIBUTIONS

No funds of the FUND shall in any fashion be used to support any candidate for political officer or for any political purpose.

ARTICLE XXIII

BORROWING FUNDS

The FUND shall NOT have the authority to borrow monies from any bank, savings and loan or other institutions for any purpose.

ARTICLE XXIV

EMERGENCY EXPENDITURE

The Executive Committee of the FUND by a vote of at least three (3) of its members may from time to time make expenditures on an emergency basis, in accordance with these By-Laws; and policies adopted by the Board of Directors of the FUND; and in accordance with the purpose of this FUND, in an amount not exceeding ONE THOUSAND AND NO/100THS (\$1,000.00) DOLLARS, to any person, family, group or organization.

Such emergency expenditures shall be fully disclosed by the Executive Committee at the next regularly called meeting of the Board of Directors of the FUND.

ARTICLE XXV

AMOUNT OF EXPENDITURES

UNLESS otherwise provided by the By-Laws and in keeping with the purpose of this FUND, the Board of Directors of the FUND may make annual expenditures of FUND funds by majority vote of members present at a meeting and constituting a quorum according to the following rules;

- A. Not more than SIX HUNDRED AND NO/100THS (\$600.00) DOLLARS, annually to any individual.
- B. Not more than ONE THOUSAND FIVE HUNDRED AND NO/100THS (\$1,500.00) DOLLARS annually to any family unit, group, organization, charity or like organization.

ARTICLE XXVI

EXPENDITURES EXCEEDING FIFTEEN HUNDRED (\$1,500.00) DOLLARS

Notwithstanding any other provision of these By-Laws the Board of Directors of the FUND may, by a vote of three (3) Directors make expenditures in any amount to any person(s), family unit, group, organization, charity or like organization which such members determine is in keeping with the purpose and spirit of the FUND and these By-Laws.

ARTICLE XXVII

RETENTION OF FUNDS

Until such time as there exists a sum of money, including earned interest, in an amount of not less than FIFTY THOUSAND AND NO/100THS (\$50,000.00) DOLLARS with the FUND, no expenditures exceeding ninety-five percent (95%) of the annual contributions, from whatever source derived, may be disbursed or otherwise disposed of for any purpose. Thereafter the Board of Directors of the FUND may in its discretion and in accordance with other dictates imposed by these By-Laws expend any and all monies saving and excepting five percent (5%) of the previous year's total contributions or ONE THOUSAND AND NO/100THS (\$1,000.00) DOLLARS, whichever is less.

ARTICLE XXVIII

PROXY VOTING

There shall not exist proxy voting at any meeting of the Board of Directors of the FUND.

ARTICLE XXIX

AUDIT

The Board of Directors of the FUND shall on an annual basis cause the books and records of the FUND to be audited by a certified public accountant, or by KBR Rural Public Power District staff and a report in keeping with sound accounting principles be issued to the Board of Directors of the FUND and the Board of Directors of KBR Rural Public Power District.

ARTICLE XXX

FISCAL YEAR

The Fiscal Year of the FUND shall commence on the 1st day of January of each calendar year and end on the 31st day of December of each calendar year.