

BY-LAWS
OF
KEITH COUNTY AREA DEVELOPMENT, INC.

ARTICLE I.
ORGANIZATION

Keith County Area Development, Inc. is a duly formed and qualified corporation under the provisions of the Nebraska Nonprofit Corporation Act.

The corporation is organized exclusively for charitable, religious, educational, and scientific purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code or corresponding section of any future federal tax code.

The corporation shall not engage in any activity which is not in furtherance of its corporation purposes.

The corporation shall not operate in any manner which would make the corporation ineligible for income tax exemption under Section 501 (c) (3) of the Internal Revenue Code or the corresponding provision of any succeeding Federal Internal Revenue Law.

ARTICLE II.
MEMBERS

Section 1. Membership. The membership in the corporation shall be made up of persons, businesses, entities, and organizations interested in supporting the purposes of the corporation by annually contributing their funds and devoting their efforts for the purpose of the furtherance of the corporation. Any person or entity paying dues of \$100 or more per year shall be a member of the corporation. Membership dues shall be billed on an annual or semi-annual basis at the request of the member.

Section 2. Termination of Membership. Any member who fails to pay dues when due shall be terminated as a member as of the last day of the calendar year for which the dues were last fully paid.

Section 3. Dues. Members shall pay dues annually or semi-annually in one of six tiers, as follows:

Bronze Members	- \$100 per year or more
Silver Members	- \$250 per year or more
Gold Members	- \$500 per year or more
Platinum Members	- \$1,000 per year or more
Titanium Members	- \$2,500 per year or more
Diamond Members	- \$5,000 per year or more

Section 4. Annual Meeting. The annual meeting of the members shall be held during the first quarter of each calendar year, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. Annual meetings shall be held at such place within Nebraska as shall be determined by the Board of Directors. The time of such annual meeting shall be determined by the Board of Directors and stated in the notice.

Section 5. Special Meetings. Special meetings of the members may be called by the President, the Board of Directors, or the holders of at least five percent of the voting power of the membership of the corporation. Special meetings shall be held at such place within the State of Nebraska and at such date and time as shall be stated in the notice.

Section 6. Notice of the Meeting. Written or printed notice stating the place, day, and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each member of record. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the member at the address appearing in the record books of the corporation, postage prepaid.

Section 7. Fixing of Record Date. For the purpose of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or in order to make a determination of members for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than seventy (70) days and, in the case of a meeting of members, not less than ten (10) days prior to the date on which the particular action, requiring such determination of members, is to be taken. When a determination of members entitled to vote at any meeting of members has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 8. Voting Lists. The Secretary shall make, at least two (2) business days after notice is given of the meeting of members, a complete record of the members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order with the address of each member and the number of votes each member entitled to vote. For a period of ten (10) days prior to such meeting, the list shall be kept on file at the registered office of the corporation and shall be subject to inspection by any member at any time during usual business hours. Such record or a duplicate thereof, shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting.

Section 9. Quorum. One-third (1/3) of the outstanding votes entitled to be cast at the meeting, represented in person or by proxy, shall constitute a quorum at a meeting of members. The holders (or their representatives) of a majority of the votes entitled to be cast at the meeting, even though less than a majority of the votes entitled to be cast at the meeting, may adjourn the meeting from time to time without notice other than an announcement at the meeting, until such time as a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting. If a quorum is present, the affirmative vote of a majority of the votes represented and entitled to be cast at the meeting on the subject matter shall be the act of the members, unless the vote of a greater number is required by law.

Section 10. Proxies. At all meetings of the members, a member may vote either in person or by proxy executed in writing by a member or his or her duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in this proxy.

Section 11. Voting. Subject to the provisions of Sections 9 and 10 of this Article II, each member entitled to vote shall be entitled to one vote on each matter voted on by the members at a meeting of the members.

Section 12. Voting by Certain Holders. Votes controlled by another corporation may be voted by such officer, agent, or proxy as the bylaws of that corporation may prescribe, or, in the absence of such provision, as the board of directors of that corporation may determine.

Votes of a member may be cast by such member's administrator, executor, guardian, or conservator, either in person or by proxy, without a transfer of such member's interest in the corporation. Votes controlled by a trust may be voted by the trustees, either in person or by proxy, but no trustee shall be entitled to vote unless the membership interest in the corporation is in the trustee's name.

Section 13. Cumulative Voting. At each election for directors, every member entitled to vote at such election shall have the right to vote, in person or by proxy, the number of votes entitled to be cast by him for as many persons as there are directors to be elected and for whose election the member has a right to vote, or to cumulate said votes and give one candidate as many votes as the number of directors multiplied by the number of member's votes shall equal, or to distribute them upon the same principle among as many candidates as the members shall think fit.

Section 14. Informal Action by Members. Any action required to be taken at a meeting of the members, or any action which may be taken at a meeting of the members, may be taken without a meeting if in writing, set forth the proposed action to be taken, shall be signed by members holding at least eighty percent (80%) of the voting power. Such consent shall have the same force and effect as a unanimous vote of members and may be stated as such in any articles or document filed with the Secretary of State under applicable state law.

ARTICLE III. BOARD OF DIRECTORS

Section 1. General Powers. The business of the corporation shall be managed by the Board of Directors.

Section 2. Number. The number of the directors shall be nine (9).

Section 3. Election. The directors shall be selected by the members as provided in the Articles of Incorporation.

Section 4. Term of Office. The directors shall hold office for the term as provided in the Articles of Incorporation.

Section 5. Resignations. The remaining director or directors may, at any meeting, accept the resignation of any director.

Section 6. Removal. The Board of Directors may at any meeting called for the purpose, by a majority of the directors present at such meeting, declare vacant the office of a director when he or she is convicted of a felony, or when he or she is found to be incompetent by a court, or when he or she has failed to carry out the duties of the office of a director, including but not limited to the regular attendance at meetings of the Board of Directors.

Section 7. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 8. Ex-officio Directors. Ex-officio directors shall not have voting privileges. Ex-officio directors shall be a representative of the Keith County Board of Commissioners, the City of Ogallala, the Village of Brule, and the Village of Paxton, and such other ex-officio directors as may be from time to time appointed by the Board of Directors.

ARTICLE IV. MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors may be held without call or formal notice at such places within the State of Nebraska and at such times as the Board may, by vote, determine from time to time.

Section 2. Special Meetings. Special meetings of the Board of Directors may be held at any place either within or without the State of Nebraska at any time when called by the President, Treasurer, Secretary, or two or more directors, reasonable notice of the time and place thereof being reasonably given to each director. A waiver of such notice in writing, signed by the person or persons entitled to said notice, either before or after the time stated therein, shall be deemed equivalent to such notice. Notice of any adjourned meeting of the Board of Directors need not be given.

Section 3. Quorum. The presence, at any meeting of a majority of directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and except as otherwise required by statute or by the Articles of Incorporation, the act of a 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 corporation shall have a President, a Vice-President, a Secretary, and a Treasurer, and such other officers, agents and factors as may be deemed necessary.

Section 2. Election, Term of Officers, and Qualifications. The officers specifically designated in Section 1 of this Article V shall be chosen annually by the Board of Directors and

shall hold office until their successors are chosen and qualified. The President shall be chosen from among the directors. No other officer need be a director.

Section 3. Subordinate Officers. The Board of Directors from time to time may appoint other officers, agents, and factors, including one or more Assistant Secretaries and one or more Assistant Treasurers, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these By-Laws or as the Board of Directors from time to time may determine. The Board of Directors may delegate to any officer the power to appoint any such subordinate officers, agents, and factors and to prescribe their respective authorities and duties.

Section 4. Removals and Resignations. The Board of Directors may at any meeting called for the purpose, by vote of a majority of their entire number, remove from office any officer, agent, or factor of the corporation, or any member of any committee appointed by the Board of Directors.

The Board of Directors may at any meeting, by vote of a majority of the directors present at such meeting, accept the resignation of any officer of the corporation.

Section 5. Vacancies. Any vacancy occurring in the office of President, Secretary, or Treasurer or any other office by death, resignation, removal, or otherwise shall be filled for the unexpired portion of the term in the manner prescribed by these By-Laws for the regular election or appointment to such office.

Section 6. The President and Vice-President. The President shall be the chief executive officer of the corporation, and subject to the direction and under the supervision of the Board of Directors, shall have general charge of the business, affairs, and property of the corporation, and control over its officers, agents, and employees. The President shall preside at all meetings of the Board of Directors at which he is present. The President shall do and perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors. The Vice-President shall have the authority of the President in his absence.

Section 7. The Secretary. The Secretary shall,

- a. Record all the proceedings of the meeting of the corporation and directors in a book to be kept for that purpose;
- b. See that all notices are duly given in accordance with the provisions of these By-Laws or as required by statute;
- c. Be custodian of the records of the corporation and the Board of Directors, and of the seal of the corporation, and see that seal is affixed to all documents the execution of which on behalf of the corporation under its seal shall have duly authorized;
- d. See that all books, reports, statements, certificates, and the other documents and records required by law to be kept or filed are properly kept or filed; and
- e. In general, perform all duties and have all powers incident to the office of Secretary and perform such other duties and have such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors or the President.

Section 8. The Treasurer. The Treasurer shall;

- a. Have supervision over the funds, securities, receipts, and disbursements of the corporation;
- b. Cause all moneys and other valuable effects of the corporation to be deposited in its name and to its credit, in such depositories as shall be selected by the Board of Directors or pursuant to authority conferred by the Board of Directors;
- c. Cause the funds of the corporation to be disbursed by checks or drafts upon the authorized depositories of the corporation, when such disbursements shall have been duly authorized;
- d. Cause to be taken and preserved proper vouchers for all moneys disbursed;
- e. Cause to be kept at the principal office of the corporation correct books of account of all its business and transactions;
- f. Render to the President or the Board of Directors whenever requested, an account of the financial condition of the corporation and of his transactions as Treasurer;
- g. Be empowered to require from the officers or agents of the corporation reports or statements giving such information as he may desire with respect to any and all financial transactions of the corporation; and
- h. In general, perform all duties and have all powers incident to the office of Treasurer and perform such other duties and have such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors or the President.

Section 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers shall have such duties as from time to time may be assigned to them by the Board of Directors or the President.

ARTICLE VI. EXECUTION OF INSTRUMENTS

Section 1. Execution of Instruments Generally. All documents, instruments or writings of any nature shall be signed, executed, verified, acknowledged and delivered by such officer or officers or such agent or agents of the corporation and in such manner as the Board of Directors from time to time may determine.

Section 2. Checks, Drafts, and Other Documents. All notes, drafts, acceptances, checks, endorsements, and all evidences of indebtedness of the corporation whatsoever, shall be signed by such officer or officers or such agent or agents of the corporation and in such manner as the Board of Directors from time to time may determine. Any transactions which are not considered ordinary business, such as purchase of property, shall require the signature of two (2) members of the Board of Directors.

ARTICLE VII. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

To the extent permitted by law, the corporation 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 corporation, by reason of the fact that he or she is or was a director, officer, employee, or agent of the corporation against expenses, including attorney fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection

with such action, suit or proceeding if he or she acted in good faith and in such a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to a criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

To the extent permitted by law, the corporation 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 corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture or other enterprise, against expenses, including attorney fees, actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation.

To the extent permitted by law, the corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against him or her and incurred in such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability.

The indemnity provided for by this Article VII shall not be deemed to be exclusive of any other rights to which those indemnified may be otherwise entitled, nor shall the provisions of this Article VII be deemed to prohibit the corporation from extending its indemnification to cover other persons or activities to the extent permitted by law or pursuant to any provision in the By-Laws.

ARTICLE VIII. COMMITTEES

ARTICLE IX. SEAL

The corporation seal, subject to alteration by the Board of Directors, shall be in the form of a circle and shall bear the name of the corporation and shall indicate its formation under the laws of the State of Nebraska. Such seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

ARTICLE X. AMENDMENTS

These By-Laws may be amended, revised or repealed at any meeting of the Board of Directors, provided, however, that no amendment shall be adopted which would be in conflict with the Articles of Incorporation or which would disqualify this corporation from tax exemption under Internal Revenue Code Section 501 (c) (3) or corresponding section of any future federal tax code.

Adopted 06-15-01

Amended 06-28-02: Article VI, Section 2, add requirement that two board members must sign documents purchasing property

Amended 01-24-03: Article II, Section 4, annual meeting date changed.

Amended 05-14-04: Article II, Section 3, two new membership levels added.

Amended 03-25-05: Article III, add Section 9, allowing board members to assign a proxy for board meetings.

Article VIII, add article to define committees.