
**AMENDED AND RESTATED
BYLAWS
OF
CENTRAL PLAINS ENERGY PROJECT**

February 14, 2007

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ARTICLE I

DEFINITIONS

Except as provided below, capitalized terms used in these Bylaws shall have the meanings set forth in the Interlocal Cooperation Agreement Providing for the Organization and Operation of Central Plains Energy Project, dated as of August 15, 2006, as amended from time to time (the “*Agreement*”).

In addition, the following terms when used in these Bylaws shall have the following meanings: herein.

“*Articles*” means the Articles of Incorporation of CPEP as a Nebraska nonprofit corporation, as amended from time to time.

“*Chair*” means the Chair of the Board elected by the Board pursuant to Article VIII

“*Manager*” means the entity or individual responsible for day-to-day operations of CPEP.

“*Open Meetings Act*” means the Nebraska Open Meetings Act, Sections 84-1407 through 84-1444, Nebraska Revised Statutes, as amended.

“*Party*” means “Member” as defined in the Agreement.

“*Principal Office*” means the principal office of CPEP, as selected by the Board.

“*Public Records Act*” means Section 84-712 *et seq.*, Nebraska Revised Statutes, as amended.

“*Registered Office*” means the office selected by the Board as the registered office of CPEP to comply with the requirements of Section 21-1934, Reissue Revised Statutes of Nebraska, as amended.

“*Secretary*” means the Secretary of the Board elected by the Board pursuant to Article VIII herein.

“*Treasurer*” means the Treasurer of the Board elected by the Board pursuant to Article VIII herein.

“*Vice Chair*” means the Vice Chair of the Board elected by the Board pursuant to Article VIII herein.

ARTICLE II

NAME; PRINCIPAL OFFICE; REGISTERED OFFICE

Section 2.1 Name. The name of this organization shall be “Central Plains Energy Project”, herein called “CPEP”.

Section 2.2 Principal Office. The Principal Office of CPEP shall be selected by the Board.

Section 2.3 Registered Office. The Registered Office of CPEP shall be selected by the Board.

ARTICLE III

PURPOSES AND GOVERNING INSTRUMENTS

Section 3.1 Public Body Corporate and Politic. CPEP shall be organized and operated as a public body corporate and politic (including a nonprofit corporation) and a joint entity under the provisions of the Act.

Section 3.2 Purpose. CPEP shall have the purpose provided in the Agreement and the Articles. CPEP shall be operated solely and only to accomplish the public purposes of the Parties subject to the provisions set forth in the Act. Any net revenues of CPEP beyond those necessary for retirement of indebtedness or implementation of the public purposes of CPEP and the Parties shall not inure to the benefit of any person other than the Parties. Upon dissolution of CPEP, title to all property owned by CPEP shall vest in the Parties as provided in the Agreement.

Section 3.3 Powers. CPEP shall have the power set forth in the Agreement and the Articles.

Section 3.4 Governing Instruments. CPEP shall be governed by the Agreement, the Articles and these Bylaws.

ARTICLE IV

PARTIES

Section 4.1 Parties. Public Agencies that own Governmental Utilities may become Parties of CPEP in accordance with the Agreement.

ARTICLE V

BOARD OF DIRECTORS

Section 5.1 General Powers.

(a) The supreme authority of CPEP and the government and management of the affairs of CPEP shall be vested in the Board and all the powers, duties and functions of CPEP conferred by the

Agreement, the Articles, these Bylaws, state statutes, common law, court decisions, or otherwise shall be exercised, performed or controlled by or under the authority of the Board.

(b) The Board may hire or retain the services of an executive director or a Manager of CPEP to provide for the efficient day-to-day operation of CPEP.

(c) The Board shall not permit any part of the net earnings or capital of CPEP to inure to the benefit of any Director, officer, or other private person or individual.

(d) The Board may, from time to time, appoint advisors or retain the services of persons whose advice, assistance and support may be deemed helpful in determining policies, planning, and formulating programs for carrying out the purposes and functions of CPEP.

Section 5.2 Number, Qualifications and Tenure.

(a) GENERAL. The Board shall consist of Directors that are appointed by the Parties as provided in the Agreement. The terms of Directors shall not be limited, but each Party may, by action of its governing body, remove the Director appointed by it and appoint a successor.

(b) ALTERNATE DIRECTORS. Each Party shall appoint an Alternate Director as provided in the Agreement. Whenever the Director appointed by a Party is unavailable for any Board or committee meeting the Alternate Director shall fulfill the duties and responsibilities and exercise the powers and privileges of such Director. The terms of Alternate Directors shall not be limited but each Party may, by action of its governing body, remove the Alternate Director appointed by it and appoint a successor.

(c) QUALIFICATIONS OF DIRECTORS AND ALTERNATE DIRECTORS. Each individual appointed or elected as a Director or an Alternate Director shall possess the qualifications specified in the Agreement.

Section 5.3 Vacancies. A vacancy on the Board shall be filled as provided in the Agreement.

Section 5.4 Compensation. No Director shall receive, directly or indirectly, any salary or compensation. The Board may, by resolution, provide that a Director may be reimbursed for travel and lodging expenses necessarily incurred in the conduct of business for CPEP as may be allowed by the Board.

ARTICLE VI

MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1 Place of Meetings; Public Notice. Meetings of the Board may be held at any place set forth in the notice thereof or in the event of a meeting held pursuant to waiver of notice, as provided in Section 8.2 herein, as may be set forth in the waiver. All meetings of the Board shall be held, and public notice thereof shall be provided, in accordance with the Open Meetings Act.

Section 6.2 Annual Meeting.

The Board shall meet at least annually for the purpose of:

- (i) Proposing and considering any amendments to or restatements of the Agreement and forwarding the same to the Parties for approval and execution;
- (ii) Electing officers;
- (iii) Proposing and considering amendments to these Bylaws; and
- (iv) Taking such other actions as may be required of the Board whether by law, the Agreement or these Bylaws.

Section 6.3 Regular Meetings. Regular meetings of the Board shall be held from time to time at such times and at such places as the Board may prescribe, provided that the Board shall hold at least one regular meeting during each calendar quarter. Notice of the time and place of each such regular meeting shall be given by the Chair or the Secretary as provided in Section 7.1 herein not less than five business days before such regular meeting.

Section 6.4 Special Meetings. Special meetings of the Board may be called by or at the request of the Chair, any Party, or any two Directors in office at that time. Notice of the time, place and purpose of any special meeting of the Board shall be given by the Chair or the Secretary as provided in Section 7.1 herein not less than two business days before such meeting.

Section 6.5 Quorum. The transaction of business of CPEP shall require a quorum of the Board. A quorum shall be determined based upon the total number of Directors on the Board. In all cases, a majority of the Directors shall constitute a quorum.

Section 6.6 Board Action. Action by the Board shall be by resolution. A majority vote of the total number of Directors on the Board is required to take action on behalf of CPEP, except when a greater number is required by the Agreement.

Section 6.7 Records of Meetings. The Board shall maintain permanent written minutes of all its meetings, which shall consist, at a minimum, of a summarized statement of the subject matter considered and action taken, a record of the time, place and purpose of the meeting, names of the Directors present, the agenda and the notices given, if any. When approved by the Board, the minutes shall be signed by the Chair and the person entrusted with their preparation and shall be distributed to the Parties.

Section 6.8 Video Teleconference or Telephone Conference. Directors may participate in and hold a meeting by means of video teleconference or telephone conference as provided in, and subject to the requirements of, the Open Meetings Act, particularly Section 84-1411 (a) and (3) thereof.

Section 6.9 Adjournments. A meeting of the Board may be adjourned by a majority of the Directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting that was adjourned.

ARTICLE VII

COMMITTEES

Section 7.1 Committees; Executive Committee. As provided in the Agreement, the Board may by resolution establish one or more committees (in addition to the Project Management Committees described below) and an Executive Committee. Such committees may consist in whole or in part of persons who are not Directors, as the Board deems necessary or desirable. The Board may discontinue any such committee at its pleasure. It shall be the function and purpose of each committee to advise the Board; and each committee shall have perform such specific duties or functions, not inconsistent with the Agreement or these Bylaws, as may be prescribed for it by the Board. Appointments to and the filling of vacancies on any such committees shall be made by the Board unless the Agreement or these Bylaws otherwise provide. The Board may delegate responsibility for specific matters to a committee to the extent permitted by law as provided in the Agreement; all other actions, activities or undertakings by a committee shall be subject to approval, control, revision, and alteration by the Board and shall not be a decision or action of the Board until approved by the Board; provided, however, that except as provided in Section 7.9 herein, the Board shall act with respect to a Project only by approving or disapproving a specific decision made by the Project Management Committee for such Project.

Section 7.2 Term of Appointment. Each member of a committee shall continue as such during the term specified by the person or entity making the appointment or by the Board (in the event the Board makes the appointment) and until his or her successor is appointed, unless the committee shall be sooner terminated or such member shall be removed from such committee.

Section 7.3 Quorum. A majority of the members of a committee shall constitute a quorum unless otherwise provided in the resolution of the Board creating such committee.

Section 7.4 Committee Action Voting Procedures. (a) A majority vote of all votes cast by a committee is required for committee action and undertakings, unless otherwise provided in the resolution of the Board creating such committee.

(b) Unless otherwise provided in the Gas Supply Contracts, voting on Project Management Committees shall be by a majority vote of the representatives of the Project Participants, with each such representative being entitled to cast one vote; *provided that*, the representative of any Project Participant may call for a Weighted Vote on any matter before the Project Management Committee, in which case the decision on the matter shall require a majority of the *per capita* votes and a majority of the Weighted Votes. The Gas Supply Contracts for each Project may set forth different Weighted Voting provisions from those contained in the Agreement. In the event that a Project Management Committee is unable to reach a decision on any matter, the matter shall be referred to the Board for resolution.

Section 7.5 Meetings; Rules. To the extent required by the Open Meetings Act, meetings of all committees shall be held, and public notice thereof shall be provided, in accordance with the Open Meetings Act. Committee members may participate in and hold a meeting by means of video conference or telephone conference as provided in, and subject to the requirements of, the Open Meetings Act, particularly Section 84-1411 (a) and (3) thereof. Each committee may adopt rules for its own government, so long as such rules are not inconsistent with the Open Meetings Act, the Agreement, these Bylaws or with rules adopted by the Board for such committee or for all committees.

Section 7.6 Organization. Subject to the Board resolution establishing the committee, each committee shall elect, by majority vote, a chair and a vice chair of the committee. The committee chair and vice chair shall serve for terms of one year and thereafter until their successors have been elected, or

until their earlier death, resignation, removal, retirement or disqualification. The committee chair, or the committee vice chair in the absence of the chair, shall preside at all meetings of the committee. If neither the committee chair nor the committee vice chair are present at a meeting of the committee, such committee shall select another person to preside over such meeting on an interim basis by a majority vote of the committee members present and voting at such meeting.

Section 7.7 Records of Meetings; Reports. Each committee shall maintain written minutes of all its meetings, which shall consist, at a minimum, of a summarized statement of the subject matter considered and its action, activities and undertakings, a record of the time, place and purpose of the meeting, names of the committee members present, the agenda and the notices given, if any. When approved by the committee, the minutes shall be signed by the chair of the committee and the person entrusted with their preparation and distributed to the committee members, the Board and the Parties. Each committee shall provide a report of its activities to the Board at the next regular meeting thereof.

Section 7.8 Adjournments. A meeting of a committee may be adjourned by a majority of the committee members present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting that was adjourned.

Section 7.9 Project Management Committees. A Project Management Committee shall be established for each Project undertaken by CPEP in order to provide the Project Participants with direct representation and voting rights with respect to each such Project. The Parties intend that the Board shall, to the fullest extent practicable, (i) defer to the particular concerns and objectives of each Project Management Committee with respect to the Project that is governed by such Committee and (ii) act upon and in furtherance of the recommendations of each such Project Management Committee with respect to the Project governed by such committee. Except for those matters described in the next paragraph, the Board shall act with respect to a Project only by approving or disapproving a specific decision made by the Project Management Committee for such Project. If the Board disapproves a decision of the Project Management Committee it shall state its reasons for doing so and shall refer the matter back to the Project Management Committee for further consideration and revision of the decision.

The following decisions shall be made solely by the Board without regard to any decision by a Project Management Committee: (i) decisions on matters not relating to any Project or relating to more than one Project of CPEP, (ii) organizational and membership matters including matters relating to the Agreement and these Bylaws, (iii) legal matters, including any litigation to which CPEP is a party, (iv) financial and accounting matters, including risk management policies and specific risk management transactions, and (v) general and administrative matters affecting CPEP, including the approval of the annual budget of A&G Costs and employment and employee matters.

ARTICLE VIII

NOTICE AND WAIVER

Section 8.1 Procedure.

(a) Whenever these Bylaws require notice to be given to any Director or committee member, the notice shall be given in accordance with this Section 8.1. Except as otherwise provided in these Bylaws, notice under these Bylaws shall be in writing. Notice may be communicated in person, by

telephone, electronic mail, facsimile transmission ("fax"), or by mail or private carrier. Written notice, if in a comprehensible form, is effective at the earliest of the following:

(1) When received or when delivered, properly addressed, to the addressee's last known principal place of business or residence or electronic mail address;

(2) Five days after its deposit in the mail, as evidenced by the postmark, if mailed with first-class postage prepaid and correctly addressed; or

(3) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

(b) In calculating time periods for notice, when a period of time is prescribed for the exercise of any privilege or the discharge of any duty, the first day shall not be counted but the last day shall be counted.

(c) Each Director, Alternate Director and committee member shall file with CPEP a written statement setting forth such person's preferred means of receiving notice and such written statement shall specify the telephone number, electronic mail address, fax number or address, as applicable, to which notice shall be sent.

(d) CPEP shall forward notice by the means specified under (c) above in the written statement filed by the Director, Alternate Director or committee member.

(e) Promptly upon receipt of notice, each Director, Alternate Director or committee member shall notify CPEP by telephone, fax or electronic mail of such person's receipt of such notice and shall also state (i) whether such person intends to attend the meeting and (ii) whether such person will attend such meeting via video teleconference or telephone conference, as appropriate.

(f) In the event that CPEP has not received notice back from any Director, Alternate Director or committee member under (e) above before the close of business on the business day preceding a Meeting, CPEP shall use its best efforts to immediately contact any such person by telephone.

Section 8.2 Waiver. A Director, Alternate Director or committee member may waive any notice before or after any meeting that requires notice. Except as provided herein, the waiver must be in writing, signed by the Director, Alternate Director or committee member entitled to the notice, and delivered to CPEP for inclusion in the minutes or filing with CPEP's records. A Director's, Alternate Director's or committee member's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless such person at the beginning of the meeting (or promptly upon his or her arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

ARTICLE IX

OFFICERS

Section 9.1 Number and Qualifications. The officers of CPEP shall consist of a Chair, one or more Vice Chairs as determined or designated by the Board, a Secretary, a Treasurer and such other officers and assistant officers as the Board may by resolution designate from time to time; *provided, however,* that CPEP shall not be required to have at any time any officers other than a Chair, a Secretary

and a Treasurer. It is required that the Chair, any Vice Chair or Vice Chairs, Secretary and Treasurer be Directors, but it is not required that any other officer or assistant officer be a Director. Any two (2) or more offices may be held by the same person with the exception of Chair and Vice Chair.

Section 9.2 Election and Term of Office. The officers of CPEP shall be elected by the Board. The Chair, Vice Chair or Vice Chairs, Secretary and Treasurer shall serve for terms of one year, beginning on the date prescribed by the Board, and thereafter until their successors have been elected, or until their earlier death, resignation, removal, retirement, or disqualification as herein provided. Such officers may be re-elected any number of times for additional one-year terms. Any other officers or assistant officers appointed by the Board shall serve at the will of the Board.

Section 9.3 Vacancies. A vacancy in any office arising at any time and from any cause may be filled for the unexpired term by the Board at any meeting.

Section 9.4 Chair. The Chair shall preside at all meetings of the Board. The Chair shall perform such other duties and have such other authority and powers as the Board may from time to time prescribe.

Section 9.5 Vice Chairs. The Vice Chairs, in the order of their seniority, unless otherwise determined by the Chair or by the Board, shall, in the absence or disability of the Chair, perform the duties and have the authority and exercise the powers of the Chair, subject to all of the restrictions that are applicable to the Chair. If neither the Chair nor the Vice Chairs are able to act due to temporary disability, the Board shall appoint some other officer to so act on an interim basis. The Vice Chairs shall perform such other duties and have such other authority and powers as the Board may from time to time prescribe or as the Chair may from time to time delegate.

Section 9.6 Secretary.

(a) The Secretary shall attend all meetings of the Board and the committees and record, or cause to be recorded, all votes, actions and the minutes of all proceedings in a book or books to be kept for that purpose.

(b) The Secretary shall give, or cause to be given, notice of all meetings of the Board and the committees, and ensure that public notice of such meetings, if required by law, be given in accordance with the Open Meetings Act.

(c) The Secretary shall keep in safe custody the seal of CPEP and, when authorized by the Board or the Chair, affix it to any instrument requiring it. When so affixed, it shall be attested by his or her signature or by the signature of the Treasurer or an assistant secretary.

(d) The Secretary shall perform such other duties and have such other authority and powers as the Board may from time to time prescribe or as the Chair may from time to time delegate.

Section 9.7 Assistant Secretaries. At least one assistant secretary shall be appointed by the Board. The assistant secretaries shall, in the absence or disability of the Secretary, perform the duties and have the authority and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Board may from time to time prescribe or as the Secretary may from time to time delegate.

Section 9.8 Treasurer.

(a) The Treasurer shall have the custody of the corporate funds and securities and shall keep, or cause to be kept, full and accurate accounts of receipts and disbursements of CPEP and shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of CPEP into depositories designated by the Board.

(b) The Treasurer shall be responsible for the disbursement of the funds of CPEP as ordered by the Board, and shall prepare, or cause to be prepared, financial statements each fiscal quarter or at such other intervals as the Board shall direct.

(c) The Treasurer shall perform, or cause to be performed, such other duties and have such other authority and powers as the Board may from time to time prescribe or as the Chair may from time to time delegate.

Section 9.9 Assistant Treasurers. One or more assistant treasurers may be appointed by the Board. The assistant treasurers shall, in the absence or disability of the Treasurer, perform, or cause to be performed, the duties and have the authority and exercise the powers of the Treasurer. They shall perform, or cause to be performed, such other duties and have such other powers as the Board may from time to time prescribe or as the Treasurer may from time to time delegate.

Section 9.10 Removal of Officers. Any officer elected or appointed may be removed by the Board whenever in its judgment the best interests of CPEP will be served thereby.

Section 9.11 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board or to the Chair, the Vice Chair or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time be not specified, upon receipt thereof, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective.

Section 9.12 Fidelity Bonds. The Board may require that all officers and employees of CPEP handling or responsible for the funds of CPEP furnish adequate fidelity bonds. The premiums for such bonds shall be paid by CPEP as an administrative and general cost.

ARTICLE X

BOOKS AND RECORDS; AUDITS; ANNUAL BUDGET

Section 10.1 Books; Statements. CPEP shall keep accurate, full and complete books and accounts showing its assets and liabilities, operations, transactions and financial condition. Pursuant to the Agreement, such books and accounts shall provide for the segregation of A&G Costs and Project Costs. All financial statements shall be accurate in all material respects, shall present fairly the financial position and results of CPEP and shall be prepared on an accrual basis in accordance with generally accepted accounting principles consistently applied. The Board shall determine the methods to be used in the preparation of financial statements and federal, state and municipal income and other tax or information returns for CPEP, in connection with all items of income and expense including, but not limited to, valuation of assets, the method of depreciation, elections, credits and accounting procedures. Following the commencement of activities by CPEP:

(a) CPEP shall cause to be prepared and submitted to each Party, within thirty days after the end of each fiscal quarter (unless otherwise specified by the Board), an accrual basis

balance sheet together with an accrual basis statement of operations for the quarter with a cumulative fiscal year accrual basis statement of operations to date and with such other financial statement and information as reasonably may be requested by a Party, including any such information required to enable a Party or any of its affiliates to prepare quarterly reports to be filed pursuant to foreign, federal, or state securities laws; and

(b) As soon as practicable after the end of each fiscal year of CPEP, a general accounting and audit shall be taken and made by CPEP's independent certified public accountants, covering the assets, properties, liabilities and net worth of CPEP, and its dealings, transactions and operations during such fiscal year, and all other matters and things customarily included in such accounts and audits, and a full, detailed certified statement shall be furnished to each Party within ninety days after the end of such fiscal year, showing the assets, liabilities, properties, net worth, net revenues, net expenses and net income of CPEP for such fiscal year. A full and complete report of the audit scope and audit findings in the form of a management audit report shall also be furnished to each Party within one hundred twenty days after the end of such fiscal year.

In connection with the preparation of the quarterly financial statements pursuant to paragraph (a) above, CPEP shall determine whether such statements substantially correspond to CPEP's annual budget as then in effect. In the event that that such statements indicate that, due to unanticipated receipts or expenses or other factors, the annual budget does not substantially correspond to the actual operations of CPEP for the then-current fiscal year, CPEP shall prepare a proposed amendment to the annual budget and submit the same to the Board for its review and consideration.

Section 10.2 Where Maintained, Access; Compliance with Public Records Act. The books, minutes, accounts and records of CPEP, the Board and any committees shall be at all times maintained at the Principal Office or at such other place or places as designated by the Board. Each Party shall have access to and may inspect and copy the books, minutes, accounts and records of CPEP. All books, minutes, records, accounts and other materials that constitute "public records" within the meaning of the Public Records Act shall be subject to the provisions thereof, and the Secretary (or his or her designee) shall serve as the custodian of CPEP's public records for purposes of the Public Records Act; *provided* that the Secretary may, in accordance with public records policies and procedures established by the Board, designate certain records as nonpublic as provided in the Public Records Act and withhold the same from public disclosure.

Section 10.3 Audits. In addition to the foregoing, any Party may, at its option and at its own expense, conduct internal audits of the books, records and accounts and Projects and Gas Supply Contracts of CPEP. Audits may be on either a continuous or a periodic basis or both and may be conducted by employees of any Party, or of an affiliate of any Party, or by independent auditors retained by CPEP or by any Party.

Section 10.4 Other Information. CPEP shall make available to each Party such information and financial statements related to the Party's participation under any Gas Supply Contract in addition to the foregoing as shall be reasonably required by any of them in connection with the preparation of current and periodic reports.

Section 10.5 Annual Budget. The Board shall annually adopt a budget for the ensuing fiscal year in accordance with the requirements of Section 7 of the Agreement.

ARTICLE XI

WITHDRAWAL AND TERMINATION

Section 11.1 Withdrawal by and Termination of Parties. Any Party may withdraw from its membership in CPEP and the Board may terminate the membership of any Party as provided in Section 9 of the Agreement.

Section 11.2 Dissolution of CPEP. The Parties of CPEP may elect to dissolve CPEP as provided in Section 10 of the Agreement and as provided in the Act.

ARTICLE XII

DIRECTOR OR OFFICER CONFLICTS OF INTEREST

Section 12.1 Conflict of Interest Transaction. No Director or officer of CPEP, or any family member of such Director or officer, or any corporation, partnership, association, trust or other entity in which such Director or officer, or family member of such Director or officer, serves as a director, officer or partner, or has a financial interest, shall be permitted to enter into any contract or transaction with CPEP unless:

- (a) Such Director or officer discloses to the Board the material facts of the transaction and his or her or his or her family member's relationship with or interest in the entity proposing to enter into the contract or transaction with CPEP, and the Board authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Directors (even though the disinterested Directors may constitute less than a quorum); and
- (b) The contract or transaction is fair to CPEP.

Section 12.2 Fairness to CPEP. Factors to be considered in determining whether the contract or transaction is "fair" to CPEP include an examination of the following:

- (a) The price and terms of the contract or transaction (the price and terms of the contract or transaction may vary, but must be on a level that the Board would accept in an arm's-length negotiation, in light of the knowledge that the Board would reasonably have acquired in the course of such negotiation); and
- (b) Whether the Board would reasonably determine that the contract or transaction was in the best interests of CPEP.

Section 12.3 Remedies for Violation of Conflict of Interest Requirements. If a Director or officer of CPEP, or any family member of such Director or officer, or any corporation, partnership, association, trust or other entity in which such Director, officer or family member of such Director or officer serves as a director, officer or partner, or has a financial interest, enters into any contract or transaction with CPEP without complying with the requirements described above, the Board may, at its sole discretion:

- (a) Void the contract or transaction in its entirety and recover from such Director or officer any damages and expenses suffered or incurred by CPEP as a result of the contract or transaction;

(b) Modify the price and terms of the contract or transaction so that CPEP receives a price and terms comparable to what CPEP would receive in an arm's-length negotiation; or

(c) Pursue all remedies available at law to recover on behalf of Parties and Project Participants any damages caused by the violation, together with such other remedies in equity as the Board may determine to be necessary or desirable.

ARTICLE XIII

CONTRACTS, CHECKS, DEPOSITS AND LITIGATION

Section 13.1 Execution of Documents. The Board may authorize any officer or officers, agent or agents of CPEP, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument, note, bond, contract or other document in the name and on behalf of CPEP. Such authority must be in writing and may be general or confined to specific instances.

Section 13.2 Checks, Drafts, Notes, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of CPEP shall be signed by the Chair, the Treasurer or such other officer or officers, agent or agents, of CPEP and in such manner as may from time to time be determined by resolution of the Board. All checks or drafts shall be signed by two authorized signatories.

Section 13.3 Deposits. All funds of CPEP shall be deposited from time to time to the credit of CPEP in such banks, trust companies or other depositories as determined by the Board. Investment of corporation funds shall be in accordance with the investment policy adopted by the Board and consistent with Nebraska law.

Section 13.4 Litigation. CPEP shall not initiate or voluntarily participate in any litigation without the approval of the Board.

ARTICLE XIV

INDEMNIFICATION AND INSURANCE

Section 14.1 Indemnification. In the event that any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, seeks indemnification from CPEP against expenses, including attorneys' fees (and in the case of actions other than those by or in the right of CPEP, judgments, fines and amounts paid in settlement), actually and reasonably incurred by him or her in connection with such action, suit, or proceeding by reason of the fact that such person is or was a Director, officer, employee, trustee or agent of CPEP, or is or was serving at the request of CPEP as a director, officer, employee, trustee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, then, unless such indemnification is ordered by a court, CPEP shall determine, or cause to be determined, in the manner provided under Nebraska law whether or not indemnification is proper under the circumstances because the person claiming such indemnification has met the applicable standards of conduct set forth in Nebraska law; and, to the extent it is so determined that such indemnification is proper, the person claiming such indemnification shall be indemnified to the fullest extent now or hereafter permitted by Nebraska law.

Section 14.2 Indemnification Not Exclusive of Other Rights. The indemnification provided in Section 14.1 above shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under these Bylaws, or any agreement, vote of Parties 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.

Section 14.3 Insurance. To the extent permitted by Nebraska law, CPEP may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, Director, or agent of CPEP, or is or was serving at the request of CPEP as a director, officer, employee, director, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust or other enterprise.

ARTICLE XV

REVIEW OF AND AMENDMENTS TO BYLAWS

Section 15.1 Periodic Review of Bylaws. The Board shall review these Bylaws periodically to ensure that the Bylaws accurately reflect the governing structure of CPEP, that they are consistent with the management of CPEP and the administration of its affairs, and that they comply with all applicable legal, regulatory, and other requirements.

Section 15.2 Power to Amend Bylaws. The Board shall have the power to alter, amend, or repeal these Bylaws, or adopt new bylaws, provided that the Parties have received no less than thirty days notice of such changes. The Board may take such action at any annual, regular or special meeting at which a quorum is present upon the affirmative vote of at least 75% of the total number of Directors on the Board.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Corporate Seal. The corporate seal (of which there maybe one or more exemplars) shall be in such form as the Board may from time to time determine.

Section 16.2 Fiscal Year. The Board is authorized to fix the fiscal year of CPEP and to change the same from time to time, as it deems appropriate. The initial fiscal year of CPEP shall begin on the first day of July and end on the thirtieth day of June in each year.

Section 16.3 Construction. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these Bylaws shall be invalid or inoperative, then, so far as is reasonable and possible:

- (a) The remainder of these Bylaws shall be considered valid and operative; and
- (b) The Board shall endeavor to determine and give effect to the intent manifested by the portion held invalid or inoperative.

Section 16.4 Table of Contents; Headings. The table of contents and headings are for organization, convenience and clarity. In interpreting these Bylaws, they shall be subordinated in importance to the other written material.

Section 16.5 Relation to the Agreement. These Bylaws are subject to, and governed by, the Agreement.

Section 16.6 Tax-Exempt Status. The affairs of CPEP at all times shall be conducted in such a manner as to assure its status as a political subdivision within the meaning of federal tax laws.

Section 16.7 Rules of Order. The rules contained in Robert's Rules of Order, latest edition, shall constitute the guidelines for governing the meetings of the Board and any committee in all cases to which they are applicable and in which they are not inconsistent with these Bylaws, the Agreement or Nebraska law.

Section 16.8 Adoption of Bylaws. These Bylaws were adopted by resolution of the Board and became effective on August 29, 2006, and were amended and restated on February 14, 2007.

CENTRAL PLAINS ENERGY PROJECT

By: _____
Secretary