

BY-LAWS OF NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

ARTICLE I

NAME, AREA AND PURPOSE

Section 1: Name

This organization shall be known as the Northern Kentucky Area Development District (hereinafter called ADD), a public agency of the Commonwealth of Kentucky duly created and existing under and by virtue of the laws of the Commonwealth of Kentucky - KRS-147A.

Section 2: Area

The area comprising the Northern Kentucky Area Development District shall include the counties of Boone, Campbell, Carroll, Gallatin, Grant, Kenton, Owen and Pendleton Counties, hereinafter called the Area.

Section 3: Purpose

The Northern Kentucky Area Development District is organized exclusively for charitable, developmental and educational purposes, including, for such purposes, the making of distribution 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 primary purpose of the ADD shall be to plan, promote, and encourage the comprehensive development of the Area's resources including but not limited to environmental, transportation, health, education and human.

No part of the net earnings of the Northern Kentucky Area Development District shall inure to the benefit of; or be distributable to its members, trustees, officers, or other private persons, except that the Northern Kentucky Area Development District shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the Northern Kentucky Area Development District shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Northern Kentucky Area Development District shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the Northern Kentucky Area Development District shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization,

contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Section 4: Members

There will be two types of members: public officials and citizens. The method and selection of the members shall be as provided in Article II. The members shall be representative of the eight-county region. The Corporation shall not be dissolved, nor shall the validity of any act of the Corporation or its members be in any way affected in the event of vacancies in the membership.

ARTICLE II

BOARD OF DIRECTORS

Section 1: Composition of the Board of Directors

The Board of Directors shall be the governing and policy-making body of the ADD.

The Board shall be composed or elected as follows:

- A. The County Judge of each member county or his designated representative. The votes and commitments of the designee shall be considered to be binding upon the government he or she represents.
- B. The Mayor of each city of the first, second and third class (or his designee) located in the Northern Kentucky Area Development District shall be a member of the Board of Directors. In addition, one mayor or a designated representative from fourth, fifth or sixth class cities shall be a member of the Board of Directors; chosen in the following manner. In counties where there is more than one city in the latter category, a mayor or designated representative to serve will be chosen by a municipal league or similar organization (if such exists), or if this is not possible, then by mutual agreement of the County Judge and Mayor of the County Seat. The mayor of a city whose boundaries are within two counties shall be eligible in either county, but he shall represent one county. Any mayor elected to the Board of Directors may appoint, as may a county judge, a designee to represent him upon his absence or inability to serve. The votes and commitments of designees shall be considered to be binding upon the government or governments he or she represents.
- C. Citizen members are to comprise not more than forty-nine percent (49%) of the board and shall be nominated by the County Judge Executive subject to approval by a majority of the Board voting in a regular or special meeting.
- D. Citizen members elected to the board by the elected officials on the board shall be done as follows and according to the latest decennial census:
 - 1. Each county with a population of 25,000 or less shall have one citizen member elected to the board.
 - 2. Each county with a population of 25,000 but less than 60,000 shall have two citizen members elected to the board.
 - 3. Each county with a population of 60,000 but less than 100,000 shall have three citizen members elected to the board.

4. Each county with a population of 100,000 or more shall have four citizen members elected to the board.
 5. The vote distribution formula is to be implemented as citizen vacancies occur.
- E. The chair shall appoint one additional member of the Board of Directors who shall be a representative of a minority race residing in the district. The minority representative shall be considered a citizen member.

Section 2: Term of Office

- A. In the case of public officials - Mayors and County Judges - the terms of office as Directors of the ADD Board shall coincide with their elective terms of office.
- B. Citizen members shall serve a term of three (3) years; said terms to expire on the day of the annual meeting of the Board.

Section 3: Powers, Duties and Authorities of the Board

The Board shall have those powers, duties and authorities granted to it by Kentucky Revised Statutes 147A.070, 147A.080, and 147A.090, and other statutes; and as may be provided otherwise by the Commonwealth of Kentucky and federal agencies.

Section 4: Removal of Board Members

Any Citizen Board member may be removed at any time, for cause, by a two-thirds (2/3) majority vote of the Board provided he or she has been notified at least thirty (30) days in advance of such action. Notification must specify cause and date, time, and place of pending action and must be delivered by registered mail. Removal may be initiated by any Board member. Cause for removal is deemed to include:

- A. Direct conflict of interest.
- B. Violation of law applicable to this organization.
- C. Conduct unbecoming a Board member of this organization or prejudicial to its purpose in Article I, Section 3, hereinabove, or,
- D. Failure to attend three (3) consecutive meetings without written excuse acceptable to the Board.

Section 5: Filling of Vacancies

Any vacancy on the Board, however occasioned, shall be filled pending the usual election of his successor if the Director is a County Judge, Mayor or designee. If the vacancy

occurs in a citizen director's position such vacancy shall be filled by nomination of the County Judge/Executive and election by a majority of the Board voting in a regular or special meeting. In the event that less than sixty (60) days remain in the term of office vacated, the remaining term may be left vacant.

ARTICLE III

BOARD OF DIRECTORS MEETING

Section 1: Annual Meeting

The Annual Meeting of the Board shall be held in a place, date and time as designated by the Board.

Section 2: Regular Meetings

Meetings of the Board shall be scheduled and such meetings shall be held on the fourth Thursday of each month at the City of Florence, Kentucky, or at such date, time, and place as prescribed by the notice of said meeting. At all Board meetings a simple majority of all Board members shall be necessary to constitute a quorum to transact business, but any lesser number shall be sufficient to adjourn a meeting. If a vacancy occurs for any reason, the remaining Board members shall be the basis for determining a quorum.

Section 3: Special Meetings

Special Meetings of the Board will be held on the call of the Board and/or Chair of the Board. The time, date, place and agenda of said Special Meeting shall be at least, forty-eight (48) hours prior to the meeting. Notice shall be provided in a means determined by the Board and can include regular mail and/or electronic communications. Depositing such notice, duly stamped, first class mail and addressed to address recorded on the Official Register shall be deemed in compliance with the notice requirements; or if electronic means are used, documentation of the electronic correspondence to the electronic address on file for each Board member.

Section 4: Notice Requirement

Notice of the Annual Meeting and Regular Meetings shall be distributed to each Board member not less than seven (7) days prior to the meeting. Notice shall be provided in a means determined by the Board and can include regular mail and/or electronic communications.

Section 5: Attendance Requested

Any Board member with poor meeting attendance shall be contacted, at the discretion of, and by, the Chair of the Board or a person or committee appointed by the Chair and they shall determine his/her intention to continue their activities on the Board. A report shall be given the Board of Directors at their Regular Meeting or Special Meeting at which time the Board may declare a vacancy and, if a vacancy is declared, then the procedure as

outlined heretofore in filling vacancies shall be in effect.

Section 6: Parliamentary Procedure

The current edition of Robert's Rules of Order shall govern the proceedings of all meetings except as provided herein or as otherwise provided by the Board or Kentucky Revised Statutes.

ARTICLE IV

OFFICERS

Section 1: Officers of the Board

The Officers of the Board of Directors shall be a Chair of the Board, First Vice-Chair of the Board, Second Vice-Chair of the Board, Secretary/Treasurer, and such other officers as the Board of Directors may deem advisable.

Section 2: Finance & Administration Committee

The Board shall have a Finance and Administration Committee made up of the First-Vice Chair, Second Vice-Chair, and Secretary/Treasurer of the Board, and one additional member of the Board selected at large by the Chair. The Secretary/Treasurer shall serve as Chair of the Committee. The First Vice-Chair shall serve as Vice-Chair. The Board Chair shall serve as an ex officio member.

Duties of the Finance and Administration Committee shall include but not be limited to the following:

- 1) Review the annual audit report with the agency auditor and make appropriate recommendations to the Executive Committee.
- 2) Review the agency's monthly financial statements and make appropriate recommendations to the Board.
- 3) Serve as a personnel committee and make appropriate recommendations to the Board.
- 4) Function as a sounding mechanism to the executive director with regard to finance and administration related matters.

The general purpose of the Finance and Administration Committee is to serve as an adjunct to the Board and Executive Committee and respond to issues and subjects which are sufficiently sensitive or complex as to require more study or analysis than can be normally conducted during regular Executive Committee meetings.

Section 3: Election of Officers and Term of Office

The Officers shall be elected by the Board and they shall hold office for one year or until their successors have been elected and qualified; however, if the Board shall decide to name another officer in accordance with its privileges outlined heretofore in the by-laws, the Board may provide when and for what term they shall be elected. In the event of a

vacancy occurring during the period for which an officer has been elected, then the Board shall fill such vacancy at the next Regular Meeting or sooner at a Special Meeting of the Board. Any officer elected or appointed by the Board may succeed themselves in office. No officer shall serve more than two consecutive terms in the office to which he is elected not including that portion of a term of office to which they were appointed due to that office sustaining a vacancy.

Section 4: Removal of an Officer

An officer of the Board may be removed for inefficiency, malfeasance, misfeasance or conflict of interest at any time by the majority vote to the entire membership of the Board of Directors provided that written charges are submitted to the officer within thirty (30) days prior to such action. The person so removed shall have a right to appeal to the Circuit Court.

Section 5: Eligibility of Officers

Any member of the Board shall be eligible to hold office.

Section 6: Expenses

Payment of expenses of the Officers and of the Other Board members shall be determined and subject to authorization by the Board.

ARTICLE V

POWERS, DUTIES AND AUTHORITIES OF OFFICERS

Section 1: Chair of the Board

The Chair shall be the Executive Officer of the Board of Directors and the Executive Committee of the Board. They shall preside at all meetings of the Board of Directors and the Executive Committee.

The Chair shall have general and active management of the business of the Board and shall see that all orders, policies and resolutions of the Board of Directors are carried into effect. They shall also perform other duties as may from time to time be delegated by the Board.

Section 2: Vice-Chair of the Board

The Vice-Chair shall preside at meetings of the Board of Directors and the Executive Committee in the event of the Chair's absence, illness, absence from the State or inability to perform his duties. They shall also assume all the responsibilities of the Chair as hereinbefore enumerated in event the Chair is ill, absent or otherwise unable to perform. The vice-chair shall also perform duties as may from time to time be delegated by the Board.

Section 2.1

The Second Vice-Chair shall preside at meetings of the Board of Directors and the Executive Committee in the event of the Chair's and Vice-Chair's absence, illness, absence from the state or inability to perform their duties. They shall also assume all the responsibilities of the Chair as hereinbefore enumerated in the event the Chair and the Vice-Chair are ill, absent, or otherwise unable to perform. The second vice-chair shall also perform duties as may from time to time be delegated to him by the Board.

Section 3: Secretary/Treasurer of the Board

The Secretary/Treasurer shall be responsible for the records of the Board, the minutes of the meetings of the Board, and the Official Register of the membership and the Board of Directors. The Secretary/Treasurer shall notify officers, committees and delegates of their elections or appointments. They shall read the minutes of each business session. The Secretary/Treasurer may delegate any and all of these duties to a member of the staff if he so desires; however, such delegation does not relieve the Secretary/Treasurer of their responsibilities.

The Secretary/Treasurer shall be the custodian of all monies and securities of the ADD

and shall provide for the accurate keeping of regular books of account of ADD funds and properties. They shall also perform duties as may from time to time be delegated to him by the Board.

Section 4: Administrative Officer and Staff

The Chief Administrative Officer of the ADD shall be the Executive Director who shall be appointed by the Board and serve at its pleasure. The Executive Director shall administer, direct, implement and otherwise carry out activities of the ADD and shall exercise those powers, duties and authorities as may be delegated to him by the Board.

ARTICLE VI

COMMITTEES

Section 1: Executive Committee

The Board shall have an Executive Committee made up of the officers of the Board, one representative from each of the eight counties, and the immediate past chair. The chair shall appoint one additional member of the Executive Committee who shall be a representative of a minority race residing in the district. All Executive Committee members except minority representative shall be chosen by a majority vote of the Board from among the membership of the Board. The fifty-one percent (51%) elected officials proportion shall be maintained on the Executive Committee.

- A. A quorum of the members of the Executive Committee including at least one officer shall be considered sufficient for an official meeting. If a vacancy occurs for any reason, the remaining Board members shall be the basis for determining a quorum.
- B. A summary of the minutes of Executive Committee meetings shall be mailed or transmitted electronically no less than seven days prior to regularly scheduled Board meetings.
- C. The Executive Committee shall meet for special reasons on call of the Chair in accordance with Article III, Section 3.
- D. The Executive Committee may be authorized by the Board to conduct the business of the Board including but not limited to the management of the financial assets and obligations of the ADD, to guide the activities of the ADD between meetings of the Board and to perform other such duties as the Board might delegate to it.
- E. The alternate of a public official may serve on the Executive Committee only in the absence of the public official and only if so authorized by that public official in writing.

Section 2: Standing Councils

The Board may function normally through the reports and recommendations of its Standing Councils which shall include but is not limited to areas related to health, transportation, human resources, workforce, education, natural resources and environmental protection and community services.

Section 3: Ad Hoc Committees

The Board may authorize special purpose or Ad Hoc Committees such as a Nominating Committee, which shall terminate their function upon completion of the task so authorized by the Board or at such time deemed appropriate by the Board and/or the Chair of the Board.

Section 4: Council Membership

The Board of Directors shall provide for the composition and election of Councils' membership unless otherwise provided within the By-Laws or by State and Federal requirements.

The Chair of the NKADD Board of Directors shall appoint from the existing membership of the Board, the chairpersons of NKADD's Advisory Councils.

ARTICLE VII

DEPOSITS, DISBURSEMENTS, BOND AND AUDIT

Section 1: Deposits

Deposits to the credit of the ADD of all notes, monies, valuables, checks, drafts, bonds, and other instruments received by the ADD shall be made in such banks and depositories as the Board may from time to time designate. All such deposits shall be made in a manner as prescribed by resolution of the Board.

Section 2: Financial Assets and Disbursements of Funds

- A. The Secretary/Treasurer of the Northern Kentucky Area Development District shall be the custodian of all funds and financial assets of the Northern Kentucky Area Development District.
- B. The Secretary/Treasurer of the Northern Kentucky Area Development District shall be the Disbursement Officer of all funds of the ADD, and he shall make all disbursements as provided by the Administrative Regulations governing the Northern Kentucky Area Development District.
- C. The Secretary/Treasurer shall insure that at least on a quarterly basis, financial reports are provided to the Board.

Section 3: Bonding Required

Any officer or employee of the Board handling money or securities of the ADD shall be bonded at the Board's expense in the amount as determined by the Board and/or laws of the Commonwealth of Kentucky.

Section 4: Audit

It shall be the duty of the Board of Directors to appoint an independent certified public accountant, not an employee of the Board or a Board member, to examine and audit the accounts of the Northern Kentucky Area Development District.

ARTICLE VIII

AMENDMENTS AND EFFECTIVE DATE

Section 1: Amendments

Amendments to these by-laws shall be made by adoption by a majority of the entire membership of the Board, provided that all proposed changes are distributed to the entire membership of the Board by mail, or electronic means, at least seven (7) days prior to the meeting at which said amendments are scheduled to be acted upon. Compliance with this notice requirement only shall require the deposit of said notice in the mail giving the address of each Director as shown on the Official Register, or if electronic means are used, documentation of the electronic correspondence to the electronic address on file for each director.

Section 2: Effective Date of Adoption

The by-laws shall be in effect immediately upon adoption by a majority of those present members of the Board. Subsequent amendments to these by-laws shall become effective immediately upon their adoption by a majority of the Board as prescribed hereinabove.

ARTICLE IX

DISTRIBUTION AND DISSOLUTION

Section 1: Distribution on Dissolution

Upon the dissolution of the Northern Kentucky Area Development District, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to federal, state, and local governments or to a 501(c)(3) organization for a public purpose. Any such assets not disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Northern Kentucky Area Development District is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

AMENDMENTS

Amendment: Article II, Section 1, September 27, 1973

Amendment: Article IV, Section 2, November 21, 1974

Amendment: Article VII, Section 2 B, C, January 23, 1975

Amendment: Article II, Section 1, added Paragraph D, February 23, 1978

Amendment: Article II, Section 2, Paragraph 1 & 2, February 23, 1978

Amendment: Article VI, Section 1, Paragraph B, February 23, 1978

Amendment: Article VI, Section 4, add Paragraph 2, February 23, 1978

Amendment: Article I, Section 4, August 26, 1982

Amendment: Article II, Section IF, addition - February 27, 1986

Amendment: Article II, Section IF, addition - February 27, 1986

Amendment: Article VI, Section 1, change - February 27, 1986

Amendment: Article VI, Section IA, change - February 27, 1986

Amendment: Article VI, Section 2, addition - January 27, 1988

Amendment: Article VI, Section IF, addition - February 25, 1988

Amendment: Article I, Section 3, amended - December 3, 1998

Amendment: Article IX, Section 1, addition - December 3, 1998

Adopted on December 3, 1998 by the Board of Directors
of the Northern Kentucky Area Development District

Chair of the Board

Attest:

Secretary/Treasurer of the Board

AMENDMENTS

Amendment: Article IV, Section 1, changed - September 27, 2001

Amendment: Article IV, Section 2, September 27, 2001

Amendment: Article V, Section 3, September 27, 2001

Amendment: Article V, Section 4, September 27, 2001

Amendment: Article V, Section 5, deleted - September 27, 2001

Amendment: Article VII, Section 2, September 27, 2001

Amendment: Major revisions, May 27, 2010

Adopted on May 27, 2010 by the Board of Directors
of the Northern Kentucky Area Development District

Chair of the Board

Attest:

Secretary of the Board