

*Non-profit
Scholarships*

**BY-LAWS
OF
KHA OUTREACH, INC.**

**ARTICLE I
NAME AND LOCATION**

1.1 Name. The name of this organization shall be KHA Outreach, Inc., hereinafter called the Corporation.

1.2 Place of Business. The principal office shall be located at 149 Federal Street, Cynthiana, Kentucky, 41031, or at such place as designated by the Board of Directors.

**ARTICLE II
PURPOSE AND POWERS**

2.1 Purpose. This Corporation is a mutual benefit corporation pursuant to the Kentucky Corporation Act (KRS 271 B et seq.). The Corporation is formed exclusively for the purpose for which a corporation may be formed under the Act, and not for pecuniary or financial gain. No part of the assets, income or profit of the Corporation shall be distributable to or inure to the benefit of, its directors or officers, except to the extent permitted under the Kentucky Corporation Act.

The specific purpose for which the Corporation is organized includes, but is not limited to the acquisition and distribution of funds for the benefit of needy children residing in Federally subsidized housing, and any other lawful activity, with it being specifically provided, that the Corporation shall not carry on any activity not permitted to be carried on by a Corporation exempt from federal tax under Section 501 © (3) of the Internal Revenue Code of 1954, as amended or any corresponding provision of any future Internal Revenue Law of the United States of America. The Corporation shall have no stock, shall declare no dividends, and shall be composed of members rather than stockholders who shall receive no pecuniary benefit or profit from the Corporation. The net earnings of the Corporation shall in no event be distributed to members, directors, officers or other private persons, except that the Corporation is authorized and may pay reasonable compensation for services rendered and shall further be able to make payments and distributions in furtherance of the purposes set out herein. No part of the activities of the corporation shall be the furtherance of the purposes set out herein. No part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation and the Corporation shall not participate in any political campaign on behalf of any candidate for public office.

2.2 Powers. The Corporation shall have power to employ such personnel, to acquire and own such equipment as may be necessary and to make all necessary contracts for carrying out the objectivities of the Corporation, and shall have all the other powers set forth in the Kentucky Corporation Act.

ARTICLE III MEMBERSHIP

3.1 Class of Members. The Corporation shall have one class of members. To be eligible for membership, the applicant for membership must be a public housing authority and existing under the laws and authority of the Commonwealth of Kentucky or any political subdivision thereof, or any H.U.D. approved Section 8 agencies. To become a member, the applicant must pay any membership fee which may be required by the Board of Directors of the Corporation, and shall sign a membership agreement as approved by the board of Directors. Each member shall be entitled to one share of stock. Each share shall be equal to one membership unit, as defined by separate membership agreement. The value of each share shall be determined by the membership agreement executed by each member.

3.2 Meetings. An annual meeting of the membership or stockholders shall be held at such time and place as prescribed by the Board of Directors. Special meetings of the members may be called at any time by the president, or by resolution of the Board of Directors.

3.3 Notice. Written notice of the meetings of the members shall be given either personally or by mail, to each member of record at his address, as the same appears on the book and records of the Corporation, no less than **ten (10) nor more than sixty (60) days** before the meeting is to be held. In case of special meetings, the notice shall also include a statement of the purpose for which the meeting is called. Notice of any meeting or service of such notice may be waived in writing before or after the meeting by a member or by the attendance in person or by proxy of any member at such meeting. No irregularity of notice of any regular or special meeting of the members shall invalidate such meeting or any proceeding there at.

3.4 Quorum. A quorum at any meeting of the members shall consist of a majority of the members who are in good standing. A majority of such quorum shall decide any question that may come before the meeting, unless otherwise noted in these Bylaws.

3.5 Proxies. A member may vote at any meeting of the members by having an officer or authorized representative of the member present in person or by giving to some other person present at the meeting a written proxy.

3.6 Voting. Each member shall be entitled to one vote on all matters coming before any meeting of the members.

ARTICLE IV DIRECTORS

4.1 Authority. The authority in the direction and control of the affairs of the Corporation shall rest in the Board of Directors, which shall consist of **nine (9)** persons. **Four** of the Director's positions shall be reserved and assigned to the **President, Secretary, Vice-President, and Treasurer** of the **Kentucky Housing Association, Inc.**, who shall serve subject to the same terms and conditions as other Directors. The Board

of Directors shall have the authority to manage the business and property of the Corporation, set fees to be paid by the members; establish indemnification premiums to be paid by the members: select, remove, and delegate authority to the officers of the Corporation: to contract with outside service providers for the management and administration of various functions of the Corporation; and initiate fundamental changes to the Articles of Incorporation or corporate Bylaws.

4.2 Election and Term of Office. The election of the Directors shall be held at the annual meeting of the members. Directors are elected by a plurality of the votes cast. The initial Directors as set forth in the Articles of Incorporation shall serve until the first annual meeting of members. At the first annual meeting of members and all meetings thereafter, the Directors positions reserved for the **President, Vice-President, Secretary, and Treasurer of KHA Outreach, Inc., shall automatically be elected to one year terms.** At the first annual meeting of members, the remaining Directors shall be as follows: **one (1) director shall be elected for one year, two (2) shall be elected for two (2) years, and two (2) shall be elected for three (3) years.** All succeeding terms shall be for **three (3) years**, except for the **reserved positions of Kentucky Housing Association, Inc., which shall be for one (1) year.**

4.3 Removal of Directors. Any Director may be removed by a vote of two-thirds of the entire Board of Directors.

4.4 Vacancy. Vacancies in the Board of Directors, other than by expiration of term, shall be filled by a majority vote of the remaining Directors in office. Directors to fill such vacancies shall be elected for the unexpired term of those whom they succeed.

4.5 Annual Meeting. The annual meeting of the Board of Directors of the Corporation shall be held at the principal office of the corporation, unless otherwise specified by notice. Notice thereof, stating the date, time and place of meeting, shall be given in writing to each Director at least **ten (10) days prior to the date of the meeting**, provided that such notice may be waived in writing, and attendance at the meeting shall constitute a waiver of notice.

4.6 Other Board Meetings. Regular and special meetings of the Board of Directors shall be held at the principal office of the Corporation or at any other location fixed by the Board, at such time and upon such notice as the Chairman of the Board may from time to time determine. The Board of Directors shall prescribe the notice to be given for regular and special meetings of the Board of Directors, provided that such notice may be waived in writing, and attendance at any meeting shall constitute a waiver of notice.

4.7 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business. Directors may not vote by proxy.

4.8 Informal Action. Action taken by the Directors without a meeting in respect to any Corporation matter shall be valid if, before or after such action, all Board members sign and file with the Secretary for inclusion in the corporate minute book a memorandum showing (a) the nature of the action taken, and (b) the consent and approval of each Board member to the action taken.

4.9 Committees. The Board, by resolution adopted by a majority of the entire Board, may designate committees consisting of two or more persons, who may or may not be Directors and may delegate to such committee or committees all such authority of the Board that it deems desirable, except that no such committee or committees, unless specifically so authorized by the Board, shall have and exercise the authority of the Board to:

- (a) Adopt, amend, or repeal the Bylaws;
- (b) Fill vacancies in the Board or any committee; or
- (c) Draft a plan of distribution of the corporation assets.

The Board may designate one or more Directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee. Each member of each such committee shall serve at the pleasure of the Board. The designations of any such committee and the delegation thereto of authority shall not relieve any Director of any responsibility imposed by law. The executive committee, or any other committee, shall report any actions taken to the meeting of the Board next following the taking of such action, unless the Board otherwise requires. So far as applicable, the provisions of these Bylaws relating to the conduct of meetings of the Board shall govern meetings of the executive and other committees.

ARTICLE V OFFICERS

5.1 Officers. The officers of the Corporation shall be a President, Vice-President, Secretary, and Treasurer. No one shall serve as President or Vice-President who is not a Director of the Corporation; and any such officer who ceases to be a Director shall cease to hold office as soon as his successor is elected and qualified.

5.2 Appointment. At the first meeting of the Board of Directors following the annual meeting, the Board shall appoint officers to hold office for a term of one year and until their respective successors are elected and qualified.

5.3 Removal. Any officer may be removed by a vote of two-thirds of the entire Board of Directors.

5.4 President. The President shall be the chief executive officer of the Corporation, and shall preside at all meetings of Directors. Subject to the control of the Board of Directors, the President shall have general charge of the business of the Corporation.

5.5 Vice-President in the absence, disability, or refusal to act of the President, the President's duties shall be performed by the Vice-President.

5.6 Secretary. The secretary shall be custodian of all books, papers, records, the official seal, and property of the Corporation, except as otherwise authorized by the Board of Directors. The Secretary shall keep the corporate records, shall keep the

minutes of the meetings of the Board of Directors, shall give or cause to be given all notices required to be given, and shall perform such other duties as may be required to be given, and shall perform such other duties as may be assigned to him or her by the Board of Directors.

5.7 Treasurer. The Treasurer shall have charge of and is responsible for all funds of the Corporation. The Treasurer shall deposit moneys due and payable to the Corporation, subject to any orders of the Board of Directors, and pay out Corporation funds as ordered by the Board of Directors: shall keep an accurate account of the receipts and disbursements and submit a report thereof to the Board of Directors at their regular meetings and at such other times as required by the Board of Directors; and shall give a full and complete report for the fiscal year to the annual meeting of Directors.

ARTICLE VI INDEMNITY

6.1 Directors and Officers Indemnification. Every person who was or is a party or is threatened to be made a party to, or is involved in, any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director or officer of the Corporation or, is or was serving at the request of the Board of Directors of the Corporation as director or officer of another corporation, or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under and pursuant to any procedure specified in the Kentucky Corporation Act, as amended and as the same may be amended hereafter, against all expenses, liabilities, and losses (including attorney's fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right that may be enforced in any lawful manner by such person. Such right of indemnification shall not be exclusive of any other right which such director or officer may have or hereafter acquire and, without limiting the generality of such statement, he shall be entitled to this rights of indemnification under any agreement, vote of directors, provision of law, or otherwise, as well as his rights under this Article. The Board of Directors may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have power to indemnify such person.

6.2 Agents Indemnification. The corporation may, at the discretion of the Board of Directors, indemnify any person or acting as an agent of the Corporation, to the same extent as a director of the Corporation.

6.3 Advancement of Expenses. Expenses incurred by a director or officer of the Corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that is, or was, a director or officer of the Corporation (or was serving at the Corporation's request as a director or officer of another Corporation, or as its representative in a partnership, joint venture, trust or another enterprise) shall be paid by

the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by, or on behalf of, such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized by relevant provisions of the Kentucky Corporation Act as the same now exists or as it may hereafter be amended.

ARTICLE VII FINANCES AND SERVICES

7.1 Fiscal Year. The **fiscal year** of the Corporation shall begin with the **first day of July** and terminate on the **first day of June of each year.**

7.2 Depository. The Board of Directors shall have the power to select one or more banks to act as depositories of the funds of the Corporation and to determine the manner of receiving, depositing, and disbursing the funds of the Corporation and the form of checks and the person or persons by whom shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

7.3 Investment of Funds. Investment of the surplus funds of the Corporation over and above the cash requirements of its operations may be made by the Board of Directors or any committee designated by the Board of Directors on its behalf and in its name in such investments as the Board of Directors may deem advisable, provided that such investments shall be limited to those types of eligible investments which may be made by Kentucky domestic insurers pursuant to Kentucky law. These investments shall be within the limitations of law and consistent with the purpose of the Corporation.

7.4 Compensation. At the discretion of the Board of Directors, directors who engage in the business of the Corporation shall be reimbursed for all reasonable expenses incurred by the Corporation.

7.5 Distribution of Assets. No distribution of the assets of this Corporation shall be made until all debts are fully paid or provided for, and then only upon its final dissolution and surrender of organization and name as otherwise provided by law. At no time shall the assets be distributed to any director or officer of this Corporation.

ARTICLE VIII EXTRAORDINARY MATTERS

8.1 Amendments of Articles of Incorporation. Amendments to the Articles of Incorporation shall require the affirmative vote of two-thirds (2/3) of the members of the Board of Directors of the Corporation then in office, voting at a meeting of the Board of directors.

8.2 Amendment of By-Laws. Amendments to these Bylaws shall require the affirmative vote of two-thirds (2/3) of the members of the Board of Directors of the Corporation then in office voting at a meeting of the Board of Directors.

8.3 Dissolution. This Corporation shall be dissolved upon the affirmative vote of

two-thirds (2/3) of the members of the Board of Directors of the Corporation then in office, voting at a general or special meeting of the Board of Directors, and by the members by two-thirds (2/3) of the votes cast at a duly called annual or special meeting, or a majority of the total members, whichever is less. The final dissolution and the surrender of the organization name shall be completed as provided by law for a mutual benefit corporation. Until final dissolution, this Corporation may act in the capacity of agent to receive, distribute, or disburse any Corporation funds. Any funds remaining after all expenses and obligations are fully satisfied shall be distributed as set forth in a resolution adopted by the Board of Directors in compliance with the Kentucky Corporation Act.

The foregoing By-Laws were unanimously adopted by the initial Board of Directors on _____ 2002 and made a part of the permanent records of the Corporation.

John Crabb, Director

Shannon Biggs, Director

Michael A. Buis, Director

Johnny Clark, Director

Donna McNichols, Director