

## BYLAWS



*Organized June 1999  
Incorporated September 2002  
501C3 status February 2006*

## ***By-Laws***

*Originally Adopted by KDN: September 2001  
Adopted with revisions by KDN, Inc. Board of Directors: May 2003*

*Amended 3-4-05: Board member's terms of office, Workgroup Vice-Chairs, Workgroup Chairperson proxy designation, member-at-large election.*

# KENTUCKY DIABETES NETWORK, INC.

## Article I

### NAME AND OFFICE LOCATION

- Sec. 1 NAME. The name of the organization shall be Kentucky Diabetes Network, Inc. (hereinafter “KDN”).
- Sec. 2 OFFICE LOCATION. The mailing address of the KDN is P.O. Box 4245, Frankfort, Kentucky 40604-4245.

## Article II

### PURPOSE

- Sec. 1 PURPOSES. The purposes of the KDN include, through a network of public and private partners, improving the treatment and outcomes for Kentuckians with diabetes, promoting early diagnosis of diabetes and ultimately, preventing the onset of diabetes. The KDN intends to be the collaborative driving force behind the prevention, control, and eradication of diabetes in Kentucky. The KDN will accomplish its purposes by increasing public awareness and understanding of the seriousness of diabetes, its associated risk factors and complications, strategies for prevention and healthy lifestyles and self-management behaviors among people with diabetes. The KDN will strive to educate health care providers about diabetes care and to promote an integrated approach to care, and health care policies and activities that improve the quality of and access to diabetes care for Kentuckians with diabetes.
- Sec. 2 USE OF NET INCOME. All net income of the KDN shall be used to promote and further the purposes described in this Article.
- No part of the net income of the KDN shall inure to the benefit of any member, except that reasonable compensation may be paid for services rendered to or for the KDN affecting one or more of the KDN’s purposes. No substantial part of its activities shall be devoted to lobbying and otherwise attempting to influence legislation in a manner proscribed by law or which will jeopardize the non-profit status of the KDN.
- Sec. 3 POWERS. The KDN shall have such powers as are now or may hereafter be granted by statute to Kentucky corporations organized not-for-profit.
- Sec. 4 DISSOLUTION. Upon the dissolution or liquidation of the KDN, no member, other than one who meets the requirements of an organization hereinafter set forth, shall share in or receive any funds or other assets then remaining in the

KDN's possession and any such funds or other assets shall be transferred to a non-profit, tax-exempt organization, then described under Section 501 (c) (3) of the Internal Revenue Code, or any corresponding provision of any future federal tax laws, having the same or similar purposes and carrying on the same or similar activities as formerly conducted by the KDN.

### Article III

#### ACTIVITIES

Sec. 1 ACTIVITIES. The KDN may participate in any lawful activity which helps to accomplish any of the purposes set forth in Article II herein. Examples of some activities which may be engaged in by the KDN include: conducting a Kentucky Diabetes Rally at the state capitol; conducting an ongoing statewide diabetes awareness campaign to increase public awareness of diabetes as a serious, common and very costly disease; distributing the national diabetes clinical practice guidelines to health professionals across the state; conducting diabetes education programs for health professionals, such as physicians, nurses, dieticians and others; educating local, state and national leaders regarding diabetes needs in Kentucky and advocating for activities which will ensure access to diabetes education, supplies and research; participating in diabetes advocacy activities, including community diabetes coalitions, American Diabetes Association chapters, professional organizations and other Kentucky diabetes advocacy projects; and conducting ongoing cultural competency enhancement activities for KDN members and citizens of the Commonwealth.

### Article IV

#### AFFILIATED ORGANIZATIONS

Sec. 1 An affiliation shall be maintained with the Centers for Disease Control and Prevention (CDC), the National Diabetes Education Program (NDEP) and the Kentucky Department for Public Health (KDPH), through the Kentucky Diabetes Prevention and Control Program (KDPCP).

### Article V

#### MEMBERSHIP

Sec. 1 MEMBERSHIP ELIGIBILITY. Members of the network shall consist of organizations, associations, agencies, representatives of high-risk groups and individuals with an interest in diabetes that support the purposes of the KDN. KDN members may be individuals with diabetes or family members of individuals with diabetes or have a personal or professional interest in diabetes. Members may also be health professionals with an interest in diabetes such as physicians, pharmacists and Certified Diabetes Educators. Many organizations

across the state will be represented in the KDN, such as hospitals, health departments, university endocrinology departments, professional organizations, policy makers, home health agencies, third party payors, diabetes pharmaceutical companies, businesses, area development districts, the American Diabetes Association, the Juvenile Diabetes Research Foundation, and others.

Sec. 2 CATEGORIES OF MEMBERSHIP. The categories of KDN membership are as follows:

A. Active Members. Active members, all of whom shall be entitled to vote, shall be organizations, associations, agencies, representatives of high-risk groups and individuals with an interest in diabetes that support the purposes of the Kentucky Diabetes Network, and furthermore, complete and agree to abide by the KDN's "commitment form guidelines" (attached hereto as Addendum);

B. Honorary members. Honorary membership may be conferred upon anyone meeting the requirements set forth above for membership (other than completing the commitment form) who requests to receive KDN mailings, KDN reports and the KDPCP newsletter. Honorary members may attend meetings and may be called upon to speak; however, honorary members may not vote or hold office in the KDN.

## Article VI

### VOTING MEMBERSHIP

Sec. 1 POWERS. The membership entitled to vote shall be the general voting body of the KDN and, when duly assembled as provided in these bylaws, shall have and may exercise the following powers, duties and responsibilities:

A. Elect the Board of Directors, including the Officers of the KDN in accordance with these bylaws, except as otherwise provided by these bylaws;

B. Review and evaluate the programs, policies and activities of the KDN; develop and transmit to the Board of Directors recommendations concerning policies and measures designed to implement the purposes and objectives of the KDN;

C. Consider and review appropriate Committee and Work-Group reports and formulate recommendations pertaining thereto for transmittal to the Board of Directors for its action;

D. Propose amendments to these bylaws pursuant to Article XIX thereof;

E. Members shall be expected to work towards the purposes of KDN and to be mindful not to promote one individual or organization when representing KDN in public.

- Sec. 2 ANNUAL MEETING. There shall be an Annual Meeting of the voting membership, which shall be the annual meeting of the KDN, during the fourth quarter of the fiscal year, usually in November, at a time and place designated by the Board of Directors. Such annual meeting shall be for the purpose of electing the members of the Board of Directors who are due to be elected at that meeting and for the transaction of such other business as may come before the meeting. If, for any reason, such annual meeting is not convened during the fourth quarter of the fiscal year, or the election of Directors shall not be held at the time designated for any annual meeting or at any adjournment thereof, the Board of Directors shall continue to serve and shall cause such meeting or election to be held as soon thereafter as is practical.
- Sec. 3 OTHER REGULARLY SCHEDULED MEETINGS. In addition to the annual meeting, there will be three quarterly general meetings of the voting membership, which shall be held in the first, second and third quarters of the fiscal year, again at a time and place designated by the Board of Directors. Such meetings shall be for the purpose of accomplishing activities which promote the purposes of the KDN. In addition, the quarterly meeting held in the first quarter of the fiscal year shall serve as a review of the previous year's accomplishments as well as a planning meeting for the upcoming year's activities.
- Sec. 4 SPECIAL MEETINGS. Special meetings of the voting membership shall be called by the President upon direction of the majority of the Executive Committee or the Board of Directors, or upon written petition signed by at least one-fourth of the voting membership of the KDN.
- Sec. 5 PLACE OF MEETINGS. The Board of Directors or the Executive Committee may designate any place within Kentucky as the place of meeting for any Annual Meeting or any special meeting.
- Sec. 6 NOTICE OF MEETINGS. Written or printed notice stating the place, day and hour of any meeting of the voting membership shall be delivered personally or sent by mail, by or at the direction of the President or the Secretary, to each member entitled to vote at such meeting, at their last known address as it appears on the records of the KDN, not less than 14 days before the date of such meeting. In the case of a Special Meeting or when required by statute or by these bylaws, the purpose for which the meeting shall be called shall be stated in the notice.
- Sec. 7 QUORUM. A quorum for the Annual Meeting of the KDN shall consist of at least fifteen percent of the voting membership, or twenty five members, whichever is less. If a quorum is not present, a majority of those present and having the right to vote may adjourn the meeting from time to time without

further notice.

## Article VII

### BOARD OF DIRECTORS

- Sec. 1        GENERAL POWERS. The affairs of the KDN shall be managed by its Board of Directors in accordance with the Articles of Incorporation and these Bylaws.
- Sec. 2        NUMBER AND QUALIFICATIONS. The number of Directors shall be not less than three (3), nor more than twenty five (25), all of whom shall be active members of the KDN in good standing over 18 years of age, and shall consist of the following:
- A. The members of the Executive Committee;
  - B. The standing committees' chairpersons;
  - C. The advisory committees' chairpersons;
  - D. The workgroup chairpersons; and
  - E. Two members-at-large.
- Sec. 3        TERM OF OFFICE. The term of the officers on the Executive Committee shall be for two years with the President Elect and the Secretary being elected in odd-numbered years and with the Treasurer being elected in even-numbered years. The appointment of the Kentucky Diabetes Prevention and Control Program (KDPCP) liaison, who also serves on the Executive Committee, shall be appointed by the KDPCP Program Coordinator with no term limit. The President Elect, an officer who also serves on the Executive Committee, shall also serve for a term of two years and will then succeed automatically to the position of President. The Standing Committee and Advisory Committee Chairpersons shall serve for a two-year term. The Work Group Chairpersons shall serve for a two-year term with half elected in even years, the other half in the odd years. The Member-at-large positions shall each serve for a two-year term with one member-at-large elected annually. Directors shall not serve as elected directors for more than two full consecutive terms, except for any additional service as an officer, but shall be eligible for re-election after a lapse of at least one year. In no event shall any Director serve for more than fourteen consecutive years, including service as an officer. The term of all Directors shall begin as of January 1<sup>st</sup> of the year following the year in which they are elected.
- Sec. 4        REGULAR MEETINGS. The Board of Directors shall meet in regular session at least four times a year, one meeting to be held in each quarter of the fiscal year. The Board of Directors may hold its meetings by means of a telephone conference

call. The Board of Directors may determine the dates, places and means for its meetings.

- Sec. 5     SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or upon direction of a majority of the Executive Committee or by twenty five percent or any six Directors, whichever is less. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for such meetings called by that person or persons.
- Sec. 6     NOTICE OF MEETINGS. Notice of any regular or special meeting of the Board of Directors shall be given at least ten days prior thereto by written notice delivered personally or sent by mail or electronic media to each Director at his or her address as shown on the records of the KDN. If by mail, such notice shall be deemed to be delivered when deposited into any United States Mail Depository in a sealed, addressed envelope with postage thereon prepaid. If notice is given by electronic media, it will be deemed to be delivered when sent. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at, and the purpose of, any special meeting of the Board of Directors shall be specified in the notice of such meeting.
- Sec. 7     QUORUM. The majority of the voting members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. When a quorum of Directors is present at any meeting of the Board of Directors, the majority of the Directors present shall constitute the act of the Board of Directors unless otherwise provided by law or by the Bylaws of the KDN. If less than a majority is present at the meeting of the Board, the majority of the members present may adjourn the meeting from time to time without further notice.
- Sec. 8     VACANCIES. Vacancies may be filled by action of the Executive Committee, from a list of nominees prepared by the Nominating Committee, and the person or persons chosen shall hold office until the next Annual Meeting at which time the unexpired term(s) caused by the vacancy(ies) shall be filled by election in the regular manner. The service of a Board member filling an unexpired term of less than one year shall not count toward the maximum allowed consecutive years of service.
- Sec. 9     REMOVAL FROM BOARD FOR CAUSE. Any member of the Board of Directors may be removed for any proper cause by a two-thirds vote of the entire Board of Directors taken at any Regular or Special meeting, provided that each Director, other than the Director in question, has been given ten days' written notice that such action is considered to be at the meeting involved, that the

Director in question has been given thirty days' written notice of the proposed removal from the Board, and only after the Director in question has been given an opportunity to be heard in person or in writing, whichever the Director in question may choose.

## Article VIII

### OFFICERS

- Sec. 1 OFFICERS. The principal officers of the KDN shall be the President, Immediate Past President, President Elect, Secretary, and Treasurer. The KDN may elect such other officers as the Board of Directors shall deem advisable.
- Sec. 2 ELECTION OF OFFICERS. All officers, except the Immediate Past President and President, shall be elected by the membership.
- Sec. 3 TERM OF OFFICE. The term for all officers shall be two years. The President shall not serve for more than one consecutive term. The Treasurer shall not hold office for more than six years, consecutive or otherwise. At the end of his/her tenure, however, the Treasurer shall be eligible for election to another office. Incumbent officers shall serve until their successors have been duly elected. The President Elect and Secretary shall be elected at Annual Meetings held in odd-numbered years and the Treasurer shall be elected at the Annual Meeting held in even-numbered years. The President Elect will automatically succeed to the office of President after serving a two year term, or should the position of President become vacant.
- Sec. 4 REMOVAL FROM OFFICE. Any officer of the KDN may be removed by an affirmative vote of two thirds of the entire Board of Directors whenever in their judgment the best interests of the KDN will be served thereby. An officer may be removed for cause only after being given reasonable notice and an opportunity to be heard by the Board.
- Sec. 5 VACANCY. The unexpired term of a vacancy in any office other than President or Immediate Past President shall be filled by the Executive Committee from a list of nominees prepared by the Nominating Committee.
- Sec. 6 PRESIDENT. The President shall develop the agenda for each meeting of the membership, Board of Directors and Executive Committee in consultation with Kentucky Diabetes Prevention and Control Program (KDPCP) staff. The President shall preside at all meetings of the membership, the Board of Directors and the Executive Committee. The President shall serve as an ex officio member of all committees. The President shall sign, along with the Secretary or any other proper officer of the KDN authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, checks, vouchers or other instruments which the

Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, by these Bylaws or by statute to some other officer or agent of the KDN.

- Sec. 7 IMMEDIATE PAST PRESIDENT. The Immediate Past President shall serve as the Chair of the Nominating Committee and shall have such other duties as are delegated by the Board of Directors.
- Sec. 8 PRESIDENT ELECT. In the absence or during the disability of the President, the President Elect shall have all of the powers and perform all of the duties of President. The President Elect shall serve as Chair of the Bylaws Committee. The President Elect shall arrange for meeting sites in cooperation with the Kentucky Diabetes Prevention and Control Program (KDPCP) staff. The President Elect shall automatically succeed to the office of President at the end of the President's term.
- Sec. 9 TREASURER. The Treasurer shall be responsible for all funds and securities of the KDN from any source whatsoever, and for the deposit and investment of all such monies in the name of the KDN in such banks, trust companies or other depositories as shall be selected in accordance with these Bylaws. The Treasurer shall submit written line item quarterly reports to the membership regarding income and expenses. The Treasurer shall develop and propose for adoption to the Board of Directors an annual budget. The Treasurer shall oversee any audit of the KDN's books and shall ensure that all filings required by the Internal Revenue Service are made. In addition, the Treasurer may have such other duties as from time to time may be assigned by the President or the Board of Directors.
- Sec. 10 SECRETARY. The Secretary shall be responsible for the minutes of meetings of the membership, the Board of Directors and the Executive Committee.

The Secretary shall also be responsible for:

- A. Sending of all notices in accordance with the provisions of these bylaws;
- B. Custody of the corporate records of the KDN;
- C. Keeping a register of the mailing addresses, e-mail addresses, fax and phone numbers of each member; and
- D. In cooperation with Kentucky Diabetes Prevention and Control Program (KDPCP) staff and the evaluation committee chair, completing activity reporting forms and submitting same to the State Diabetes Prevention and Control Program; and
- E. In general, performing all duties incident to the office of Secretary and such

other duties as may from time to time be assigned by the President or Board of Directors.

Article IX

STANDING COMMITTEES

Sec. 1 The KDN shall maintain the following standing committees:

A. EXECUTIVE COMMITTEE. There shall be an Executive Committee composed of the principal Officers, along with a Kentucky Diabetes Prevention and Control Program (KDPCP) liaison. The KDPCP liaison shall be appointed by the Kentucky Diabetes Prevention and Control Program Coordinator.

The Executive Committee shall meet in regular session at least four times each year, at a time when the Board of Directors is not meeting. If the Board of Directors meets more than four times per year, the number of Executive Committee meetings may be reduced, but in no event shall there be fewer than a total of eight Board and Executive Committee meetings. The Executive Committee may hold its meetings by means of a telephone conference call. The Executive Committee will determine the dates, places and means for its meetings.

Special meetings of the Executive Committee may be called by the President or by request of a majority of the committee provided five days' notice of the meeting has been given in writing, or by telephone or electronic means and provided further that the purpose of and the proposals for the meeting are stated therein.

The Executive Committee is empowered to act on behalf of the Board of Directors between board meetings and to conduct such other business as may be delegated to it by the Board of Directors. Actions taken shall be subject to review and ratification at the next meeting of the Board of Directors.

The majority of the members of the Executive Committee shall constitute a quorum. The term of office for members of the Executive Committee shall correspond to their term of office as an officer or liaison. Members are to assume their duties as of January 1 following the year in which they were elected or appointed or at the time of the Annual Meeting, whichever occurs last.

B. RESOURCE ACQUISITION COMMITTEE. There shall be a Resource Acquisition Committee chaired by the Treasurer which shall be responsible for developing proposals for fund raising and further acquisition of the resources necessary to maintain the operations of the KDN. The Chair of the Committee will select the other members of his/her Committee, subject to the approval of the President.

C. NOMINATING/MEMBERSHIP RECRUITMENT COMMITTEE. There shall be a Nominating/Membership Recruitment Committee which shall be chaired by the Immediate Past President. If the Immediate Past President cannot serve, a substitute shall be selected from the other available immediate past officers. The Chair of the Committee will select the other members of his/her Committee, subject to the approval of the President.

The duties of the Committee shall be:

- a. To assess and identify specific skills and expertise needed for the Officers, Committees and Workgroups;
- b. To recruit and nominate the candidates for Officers to be elected by the membership at the Annual Meeting;
- c. To make recommendations to the President of qualified individuals to be chairs of Committees and Workgroups;
- d. To prepare and circulate the slate of candidates for Officers at least two weeks prior to the election;
- e. To evaluate the performance of existing members of the Board of Directors and to recommend actions regarding such to the Board.

D. HISTORICAL/SCRAPBOOK COMMITTEE. There shall be a Historical/Scrapbook Committee to be chaired by the Secretary. The Historical/Scrapbook Committee shall maintain all minutes, articles, publicity and records of activities of the KDN. The Chair of the Committee will select the other members of his/her Committee, subject to the approval of the President.

E. BYLAWS COMMITTEE. There shall be a Bylaws Committee chaired by the President Elect of the KDN. Any proposed amendments to the Bylaws shall be referred to the Bylaws Committee for casting the amendment in appropriate language that avoids or reconciles potential conflicts with other provisions of these Bylaws. The Chair of the Committee will select the other members of his/her Committee, subject to the approval of the President.

F. OTHER STANDING COMMITTEES. In addition to the above, there shall be an evaluation committee and a workgroups committee with such duties as may be delegated by the President, with chairs to be appointed by the President from the active membership and with members to be selected by the chairs of the committees.

Sec. 2 MEMBERSHIP OF STANDING COMMITTEES. Unless otherwise dictated by these Bylaws, membership of Standing Committees shall be appointed by the

Chair of the Committee from the membership.

- Sec. 3 QUORUM. A majority of the committee's membership shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall constitute the act of the committee.

#### Article X

##### ADVISORY COMMITTEES

- Sec. 1 ADVISORY COMMITTEES. Advisory Committees consist of the High Risk Populations Committee and the Health Plan Partnership Committee. The chairs of these committees shall be elected for a two-year term by the members of the committee at their initial meeting of the calendar year. Any interested members of the KDN may serve on an advisory committee by volunteering for said committee. A majority of the committee's membership or three members, whichever is less, shall constitute a quorum of that committee and the act of a majority of the members present at a meeting at which a quorum is present shall constitute the act of the committee.

#### Article XI

##### WORKGROUPS

- Sec. 1 WORKGROUPS. There shall be six Workgroups whose duties shall be as assigned by the Board of Directors in order to accomplish the purposes of the KDN. The Workgroups shall consist of:

1. Public Relations Workgroup
2. Public Awareness Workgroup
3. Patient Education Workgroup
4. Professional Education Workgroup
5. Advocacy/Policy Development Workgroup
6. Primary Prevention/Risk Reduction Workgroup.

Each Workgroup shall be responsible for developing and recommending to the Board of Directors activities of the KDN which promote the purposes of each specific workgroup.

- Sec. 2. WORKGROUP CHAIRS AND MEMBERSHIP. The Chair and a Vice-Chair, if desired by the workgroup, shall be elected for a two-year term by the members of that workgroup. In the absence of the Chair, the Vice-Chair will have the voting privilege at any duly called meeting of the KDN Board. If both the Chair and Vice-Chair cannot attend a meeting, the chair may designate a proxy from the members of the workgroup. The proxy will have voting privileges only if the Chair of the workgroup has notified the President of KDN before the start of the

meeting. Only one vote per workgroup may be cast. The members of the workgroup shall consist of members of the KDN who volunteer for that workgroup. Should the membership fail to elect a Chair for the workgroup, the Chair will be appointed by the President.

- Sec. 3 QUORUM. A majority of the workgroup's membership, or three members, whichever is less, shall constitute a quorum and the act of the majority of the members at a meeting at which a quorum is present shall constitute the act of the workgroup.
- Sec. 4 MEETINGS. Workgroups shall meet at each meeting of the membership of the KDN. In addition, meetings can be called by the Chair of the workgroup at any time upon giving at least two weeks' notice to the membership of the workgroup.

## Article XII

### NOMINATIONS AND ELECTIONS

- Sec. 1 NOMINATIONS. Elections for Officers and a Member-at-large shall be held annually at the annual meeting of the KDN. A slate of candidates shall be presented by the Nominating Committee.
- Sec. 2 NOMINATIONS FROM MEMBERS. Nominations for Officer positions may be made in writing by any active member of the KDN by submitting said nomination to the Nominating Committee no later than thirty days prior to the Annual Meeting.
- Sec. 3 BALLOTS. If the number of nominees for officers exceeds the maximum number of positions to be filled as a result of nominations from the members, written numbered ballots shall be sent by mail to all active members at least two weeks prior to the Annual Meeting of the KDN. Ballots may be returned by mail to the office of the KDN up until the date of the Annual Meeting or may be personally brought to the Annual Meeting. All written ballots will be counted and the final vote of the ballots will be announced during the Annual Meeting. Should there be an uncontested slate of nominees, such uncontested slate shall be elected by acclamation at the Annual Meeting and no written ballots shall be sent to the active membership.

## Article XIII

### CONTRACTS, CHECKS, DEPOSITS, GIFTS AND LIABILITY INSURANCE

- Sec. 1 CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents of the KDN, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the KDN, and such authority may be general or confined

to specific instances.

- Sec. 2     CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the KDN shall be signed by such officer or officers, agent or agents of the KDN and in such manner as shall, from time to time, be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer. If such check or draft is for a sum greater than \$1,000.00, it shall also be counter-signed by the President or Secretary of the KDN.
  
- Sec. 3     DEPOSITS. All funds of the KDN shall be deposited promptly to the credit of the KDN in such federally insured banks, trust companies or other depositories as the Board of Directors may select.
  
- Sec 4.     GIFTS. The Board of Directors, and any Officer of the KDN, may accept on behalf of the KDN any unconditional contribution, gift, bequest or devise for the general purposes or for any special purpose of the KDN. Conditional gifts, bequests or devises shall be approved by the Board of Directors before final acceptance.
  
- Sec. 5     LIABILITY INSURANCE. The KDN may provide liability insurance as protection for Board Members.

Article XIV

INDEMNIFICATION

- Sec. 1     INDEMNIFICATION. Each person who is or was a director or officer of the KDN, whether elected or appointed, and each person who is or was serving at the request of the KDN as a director or officer of another corporation, whether elected or appointed, including the heirs, executors, administrators, or estate of any such person, shall be indemnified by the KDN to the full amount possible against any liability, and the reasonable cost or expense (including attorney fees, monetary or other judgments, fines, excise taxes, or other penalties and amounts paid or to be paid in settlement) incurred by such person in such person’s capacity as a director, officer or arising out of such person’s status as a director or officer.

Article XV

LIMITATION ON DIRECTORS’ LIABILITY

- Sec. 1     LIABILITY LIMITATION. A director of the KDN shall not be personally liable to the KDN or its members for monetary damages for breach of such director’s duties as a director, provided that this provision shall not eliminate or limit the liability of a director for the following: (1) for any transaction in which

the director's personal financial interest is in conflict with the financial interests of the KDN or its members; (2) for acts or omissions not in good faith or which involved intentional misconduct or are known to the director to be a violation of law; or (3) for any transaction from which the director derived an improper personal benefit.

This Article shall continue to be applicable with respect to any such breach of duties by a director of the KDN as a director notwithstanding that such director thereafter ceases to be a director and shall insure to the personal benefit of such director's heirs, executors and administrators.

#### Article XVI

##### FISCAL YEAR AND ORGANIZATIONAL YEAR

Sec. 1 FISCAL YEAR AND ORGANIZATIONAL YEAR. The fiscal year and the organizational year of the KDN shall be the calendar year.

#### Article XVII

##### WAIVER OF NOTICE

Sec. 1 WAIVER OF NOTICE. Whenever any notice is required to be given by statute or under the provisions of the Articles of Incorporation or the Bylaws, a waiver thereof signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance by any person at any meeting, without objection as to the sufficiency of the notice of the meeting, shall constitute the waiver of such person of any notice otherwise required for the holding of the meeting.

#### Article XVIII

##### DUALITY OF INTEREST

Sec. 1 DUALITY OF INTEREST. Any Director, officer, key employee or committee member having an existing or potential interest in a contract or other transaction presented to the Board of Directors or a committee for deliberation, authorization, approval, or ratification, or any such person who reasonably believes such an interest exists in another such person, shall make a prompt, full and frank disclosure of the interest to the Board or committee prior to its acting on such contract or transaction. The interested party shall disclose the nature and extent of such interest and any relevant material facts known to him or her about the contract or transaction which might reasonably be construed to be adverse to the KDN's interest.

Sec. 2 REFRAINING FROM ACTION. The body to which such disclosure is made

shall determine, by majority vote of disinterested members, whether the disclosure shows that the non-voting and non-participation provisions herein must be observed. If so, such person shall not vote on, nor use his or her personal influence on, nor participate (other than to present factual information or to respond to questions) in the discussions or deliberations with respect to such contract or transaction, and such person shall not be counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon. If not, such person may participate normally in the discussions, deliberations and voting on the matter. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participating, and whether a quorum was present.

Sec. 3 DEFINITION OF INTEREST. For the purposes of this Article, a person shall be deemed to have an “interest” in a contract or other transaction if such person is the party (or one of the parties) contracting or dealing with the KDN, or is a Director, trustee or officer of, or has a significant financial or influential interest in, the entity contracting or dealing with the KDN, or is otherwise reasonably likely to gain a significant financial or other personal benefit if the contract or transaction is approved.

## Article XIX

### AMENDMENTS TO BYLAWS

Sec. 1 AMENDMENTS TO BYLAWS. These bylaws may be amended pursuant to the following procedures:

- A. An amendment may be proposed by the joint action of any three or more Directors at any regular or special meeting of the Board of Directors;
- B. An amendment may be proposed by a majority vote of the members present and voting at the Annual Meeting of the KDN or at a special meeting of the membership, in which case the proposed amendment shall be considered by the Board of Directors of the KDN at its next regularly scheduled meeting;
- C. The Executive Committee, on its own motion, may propose amendments to these Bylaws for consideration by the Board of Directors at a subsequent meeting of the Board;
- D. All proposed amendments shall be referred to the Bylaws Committee for casting the amendment in appropriate language that avoids or reconciles potential conflicts with other provisions of these Bylaws;
- E. The Secretary shall send a copy of the proposed amendment to each member of the Board of Directors at least 20 days before its next meeting;

F. Upon favorable vote of at least two-thirds of the members of the Board of Directors present at such meeting of the Board, such proposed amendment shall be adopted.

APPROVAL OF THE BOARD

\_\_\_\_\_  
PRESIDENT

DATE: \_\_\_\_\_

\_\_\_\_\_  
SECRETARY

DATE: \_\_\_\_\_