

**BYLAWS OF THE KNOBSTONE HIKING TRAIL ASSOCIATION,
AN INDIANA NON-PROFIT CORPORATION**

Article 1. Name and Purposes

Section 1.1. Name. The name of this organization shall be the Knobstone Hiking Trail Association, Inc. (“KHTA” or “Association”).

Section 1.2. Purposes. KHTA is an Indiana non-profit corporation dedicated to the completion, preservation, and promotion of the Knobstone Hiking Trail (“Trail”), which follows the Knobstone Escarpment from 30 miles south of Indianapolis, Indiana, to 10 miles north of Louisville, Kentucky.

(a) KHTA is organized and operated exclusively for charitable, educational, public, or scientific purposes, including:

- (1) To lessen the burdens of government by helping various jurisdictions coordinate management of the existing sections of the Trail;
- (2) To assist governmental entities, as well other conservation and trail-building organizations, in working toward the completion and expansion of the Trail to incorporate sections including, but not limited to: the Tecumseh Trail, the proposed Salt Creek Trail, the original Knobstone Trail, and the Pioneer Trail;
- (3) To enhance public awareness, understanding, and appreciation of the Trail by working to increase Trail publicity on official maps, in print, and on the Internet;
- (4) To promote responsible use of the Trail by maintaining a Trail monitoring and maintenance schedule for volunteers;
- (5) To help strengthen local economies by working closely with communities, county visitors bureaus, and foundations, as well as by incorporating local cultural, historical, and entertainment facilities in Trail publicity.

(b) KHTA is organized and operated to engage in all activities necessary, related, or incidental to the above purposes that serve charitable, educational, public, or scientific purposes permitted by the Indiana Nonprofit Corporation Act of 1991, as amended; by Section 501(c)(3) of the Internal Revenue Code of 1986, any amendments thereto, corresponding provisions in any recodification thereof, and the Treasury Regulations promulgated thereunder (together, the “Code”); and by an organization qualified to receive deductible contributions under Section 170(c)(2) of the Code, or the corresponding provisions of any future federal tax code.

Upon dissolution, KHTA shall perpetuate the above purposes by distributing any and all remaining assets, after debts and liabilities are paid, for one or more exempt purposes within the meaning of section 501(c)(3) of the Code, or the corresponding section of any future

Federal tax code; or by distributing these assets to the federal government, or to a state or local government, for a public purpose.

Section 1.3. Limitations. The purposes and powers of KHTA are limited as follows:

(a) Nothing contained in these Bylaws or in the Articles of Incorporation shall be construed to authorize KHTA to engage in any activities or perform any functions that are not within the tax-exempt purposes enumerated in section 501(c)(3) of the Code, nor to authorize KHTA to conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from Federal taxation under Section 501(c)(3) of the Code or by an organization to which contributions are deductible under Section 170(c)(2) of the Code or the corresponding provisions of any future statute of the United States.

(b) The property of this Corporation is irrevocably dedicated to charitable purposes. No part of the net earnings of KHTA shall inure to the benefit of any director, officer, or trustee of KHTA or confer a private benefit to any private entity. KHTA shall be authorized and empowered to pay a reasonable compensation for services rendered by a private entity and to pay principal and interest at a rate of interest not exceeding current market rates on funds loaned or advanced to KHTA. KHTA shall not knowingly engage in any transaction that is an “excess benefit transaction” subject to excise tax under Section 4958 of the Code.

(c) KHTA shall strictly adhere to the permitted limits of its election with respect to supporting, opposing, advocating the adoption or rejection of, or otherwise influencing legislation.

(d) KHTA shall not participate or intervene (including the publication or distribution of statements) in any political campaign on behalf of any candidate for public office.

Article 2. Board of Directors.

Section 2.1. Functions. Subject to the Articles of Incorporation and these Bylaws, a Board of Directors (“Board”) shall manage KHTA’s business, property, and affairs; and shall determine the organization’s policies and objectives. The Board shall establish and approve an annual budget for KHTA.

Section 2.2. Number. KHTA shall have no fewer than three (3) and no more than fifteen (15) Directors at any time. Within these limits, the Board may pass a resolution to increase or decrease the number of Directors by a simple majority.

Section 2.3. Elections. The Directors constituting the initial Board (“Initial Board”) and the dates on which their terms of office shall expire are designated in Section 2.3.1, below. Hereafter, individual Directors and the Nominating Committee, described in Section 6.1, below, may nominate candidates for director positions. To be effective, all nominations must be submitted to the Board at least six (6) weeks prior to each annual meeting, described in Section 3.1, below. The Board shall elect new Directors by a simple majority at the Annual Board meeting. When filling vacancies, nominations for a prospective Director may be submitted at a Board meeting and then elected by a simple majority at the next Board meeting.

Section 2.4. Terms and Term Limits. With the exception of the Initial Board, each Director shall serve for a term of three (3) years. A director’s three (3) year term shall expire on the date of the third Annual Board Of Directors Meeting following a director’s election or re-election to the board. Despite the expiration of a Director’s term, the Director may continue to serve until the Board reelects him/her, elects a qualified successor, or passes a resolution to decrease the number of Directors.

Section 2.5. Compensation. The Board of Directors shall serve without compensation. Directors shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their official duties.

Section 2.6. Resignation. Any Director may resign at any time by providing notice by mail, electronic mail, or personal delivery to the usual business or residence address of KHTA's Board, President, or Secretary. Acceptance of resignation is not required. Unless the notice specifies a later effective date, resignation shall take effect when notice is received or five (5) days after notice is sent by first-class mail.

Section 2.7. Removal. Any Director may be removed with or without cause by a simple majority of the Directors then in office.

Article 3. Meetings.

Section 3.1. Annual Board Meeting. The Board shall meet on the third Saturday in March or at a date, time, and place within the State of Indiana, as designated by the Board and specified in the corresponding notice.

Section 3.2 Annual Membership Meeting. A meeting shall be held on the third Saturday in March to inform the membership of the accomplishments of the KHTA in the previous year, recognize achievements by volunteers, and discuss future objectives and goals.

Section 3.3. Regular and Special Meetings. Additional regular and special meetings may be called by the Board or the President.

Section 3.4. Notice. Notice of all meetings, including regular and special meetings, shall be provided on KHTA's website and shall be given by mail, electronic mail, or personal delivery to the usual business or residence address of each Director, as shown in KHTA's records, to be effective at least thirty (30) days before a regular annual meeting and at least seven (7) days before an additional regular or special meeting. Notice shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting.

Section 3.5. Quorum and Action. A quorum for any regular or special meeting shall be a simple majority of the Directors then in office. Actions, including elections and amendments to these bylaws, are effective during a meeting only if there is a quorum, the relevant motion has a second, and a simple majority of the Directors present vote in favor of the action.

Article 4. Officers.

Section 4.1. Officers. The officers of KHTA shall consist of a President, a Treasurer, and a Secretary.

Section 4.2. Elections, Eligibility, Terms, and Vacancies. Within thirty (30) days of each annual meeting, the Board shall, by a simple majority, elect a President, a Secretary, and a Treasurer. The President must be a Director; the Secretary and Treasurer need not be Directors. Each officer shall serve for one (1) year, or until a qualified successor is elected. In the event of an officer's death, resignation, or removal, the Board shall hold a special meeting to elect a qualified successor, who will serve until the next annual meeting.

Section 4.3. Compensation. The officers shall serve without compensation. Officers shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their official duties.

Section 4.4. Resignation. Any officer may resign at any time by providing notice by mail, electronic mail, or personal delivery to the usual business or residence address of KHTA's Board, President, or Secretary. Acceptance of resignation is not required. Unless the notice specifies a later

effective date, resignation shall take effect when notice is received or five (5) days after notice is sent by first-class mail.

Section 4.5. Removal. Any officer may be removed with or without cause by a simple majority of the Directors then in office.

Section 4.6. President. The President shall serve as Chair of the Board and, if present, shall preside over and report on KHTA's activities at each Board meeting. Subject to the direction of the Board, the President shall exercise general control and supervision over KHTA's business and affairs, and shall seek to ensure that KHTA achieves its mission, while remaining accountable to its members and the public at large. Among his/her other duties, and in collaboration with the Board, the President shall devise agendas for each meeting and ensure that Board orders and resolutions are put into effect.

Section 4.7. Treasurer. Subject to the direction of the Board, the Treasurer shall have general charge of KHTA's financial affairs. The Treasurer shall be the legal custodian of all monies, notes, securities, and other valuables which may come into KHTA's possession, and shall promptly deposit all KHTA funds in an appropriate institution under KHTA's name. The Treasurer shall keep correct and complete records of account, which accurately depict KHTA's financial condition at all times. At each meeting of the Board and, within reason, upon request by the President or the Board, the Treasurer shall furnish a correct statement of KHTA's financial condition. In the President's absence, the Treasurer shall fulfill the responsibilities of President at Board meetings.

Section 4.8. Secretary. The Secretary shall file and maintain custody of KHTA's documents, minutes, and other papers, and authenticate these records as necessary. In addition to other duties prescribed by the President, the Secretary shall personally attend, or arrange for a substitute to attend, every meeting of the Board, and shall keep, or cause to be kept, true records of these proceedings. The Secretary shall ensure that members and Directors receive proper notice of KHTA meetings and actions and, consistent with this responsibility, shall periodically update records of KHTA members' and Directors' addresses and contact information.

Article 5. Committees.

Section 5.1. Nominating Committee. Subject to approval by a simple majority of the Board, the President shall appoint at least three (3) Directors to the Nominating Committee and designate a Director to serve as Chair of the Nominating Committee. At least six (6) weeks prior to each annual membership meeting, the Nominating Committee shall submit to the Board a list of candidates for director positions, including individuals who offer unique skills or would otherwise enhance the Board's diversity.

Section 5.2. Other Committees. By simple majority resolution, the Board may establish standing and/or *ad hoc* committees. Subject to approval by a simple majority of the Board, the President shall appoint Directors and members to serve on committees, provided that each committee include at least one Director. Standing committees may include, but are not limited to:

- (a) An Executive Committee, comprised of Officers, which shall oversee personnel, nominations, facilities, and legal functions.
- (b) A Finance Committee, which shall oversee budgeting, accounting, reporting, and audit control functions. The Treasurer shall be a member of this Committee, if formed.
- (c) A Public Affairs committee, which shall oversee membership, promotion, publications, and fund-development functions.
- (d) A Trail Committee, which shall oversee programs relating to Trail development, education, maintenance, and other functions.

Article 6. Members.

Section 6.1. Application and Grant. Application for membership shall be open to any person who supports the purpose statement in Section 1.2. The Secretary shall grant membership upon receipt of a completed application and payment of annual dues.

Section 6.2. Limited Rights. KHTA members possess no rights other than those specified in Section 6.1, above. These bylaws do not incorporate any definition of membership or associated rights set forth in the Indiana Nonprofit Corporations Act of 1991 (“Nonprofit Act”), as amended, §§ 23-17-1-0.2, *et seq.*, or any other law or regulation.

Article 7. Financial Affairs.

Section 7.1. Loans. KHTA shall neither lend money to, nor guarantee the obligations of, any Director, Officer, member, or other KHTA associate.

Section 7.2. Contributions. The President and/or the Board may accept contributions of behalf of KHTA. Contributions of property may be sold to generate cash funds according to terms and conditions imposed the Board, provided that the donor is notified of the possibility of sale at the time the contribution is made. The President and/or the Board may refuse any contribution upon determining that any restriction, limitation, requirement, or condition attached to the contribution is inconsistent with KHTA’s purposes or renders administration or use of the contribution impracticable.

Section 7.3. Fiscal Year. KHTA’s fiscal year shall begin on January 1 and end on December 31.

Article 8. Corporate Indemnification.

Section 8.1. Indemnification. The Board may indemnify all past and present Officers and Directors, as well as their administrators, executors, heirs, and personal representatives, consistent with the provisions of the Nonprofit Act.

Section 8.2. Insurance. The Board may purchase and maintain insurance on behalf of any past or present Officer or Director against liability asserted against or incurred by the Officer or Director in that capacity or arising from the Officer or Director’s status as an officer or director, whether or not KHTA would otherwise have power to indemnify the Officer or Director under this Article.

Article 9. Conflict of Interest Policy.

Section 9.1. No Limitation. This policy supplements, but does not replace, applicable state and federal statutes.

Section 9.2. Definitions.

(a) **Interested Person.** “Interested person” means any Director, Officer or Committee Member with Board-delegated powers who has or may have a direct or indirect “financial interest,” as defined in Section 9.2(b).

(b) **Financial Interest.** A person has a “financial interest” if the person or any of his/her immediate family members possesses, or plans to acquire, an ownership or investment interest in, or a compensation arrangement with, any entity with which KHTA has a business relationship.

Section 9.3. Procedures.

(a) **Duty to Disclose.** An interested person must promptly disclose his/her actual or potential financial interest to the Board.

(b) **Determining Whether a Conflict of Interest Exists.** After questioning the interested person, the Board shall meet without the interested person to determine by simple majority vote whether a conflict of interest exists.

(c) **Procedures for Addressing a Conflict of Interest.**

(1) If a conflict of interest exists, the Board may appoint a disinterested person or establish a committee to investigate alternatives to the business relationship giving rise to the conflict.

(2) If the Board determines that equally advantageous business relationships are available, the Board shall abandon the business relationship giving rise to the conflict. Alternatively, if the Board determines that equally advantageous business relationships are not available, the Board shall determine by a simple majority vote whether it is KHTA's best interest to proceed with the business relationship despite the conflict.

(d) **Violations.** If the Board has reasonable cause to believe that an interested person failed to disclose a conflict of interest, the Board shall inform the interested person of the reasonable cause, and afford the interested person an opportunity to explain his/her alleged failure to disclose. If appropriate, the Board may take disciplinary or corrective action.

(e) **Annual Statements.** Each Officer, Director, and Committee Member shall sign an annual statement affirming that he/she has:

(1) Received, read, and understood this Conflict of Interest Policy;

(2) Agreed to comply with this Conflict of Interest Policy;

(3) Disclosed all known actual and potential, direct and indirect conflicts of interest;

(4) Acknowledged that KHTA could lose its tax-exempt status as a result of engaging in activities that do not serve a charitable, educational, public, or scientific purpose.

Article 10. Amendments. The Board may amend these Bylaws by a two-thirds (2/3) majority at any annual meeting or special meeting of which notice is provided at least thirty (30) days prior.

Certification

I certify that at a regular called meeting of the Knobstone Hiking Trail Association on the ____ day of _____, 2017, the foregoing Bylaws were duly adopted by a majority of the Directors present.

[Name]
Secretary, Knobstone Hiking Trail Association