

Alcohol Wellness and Responsibility Education Corporation
Regular Meeting
500 Mero Street
Frankfort, Kentucky
September 25, 2024
1:00 pm.

AGENDA

1. Welcome, Introductions/Roll Call
2. Approval of the Minutes of the May Meeting
3. By-Laws Review/Approval
4. Election of Officers
5. Financial Update:
 - a. Finance Committee selection
 - b. Bank account creation and signatories
 - c. Blue & Co. proposal
6. Special Meeting Discussion
7. Evidence Auction Update
8. Adjourn

Next Regular Meeting: January 29, 2025 at 1:00 p.m.

**Alcohol Wellness and Responsibility Education Corporation
and Responsibility Education Corporation
Special Called Meeting
Frankfort, KY
May 29, 2024
1:00 pm
Meeting Minutes**

1. **Welcome, Introduction and Roll Call:** The meeting was called to order with a quorum present at 1:00pm. Members in attendance: Taylor Payne, John Stout, Allyson Taylor, Secretary of State Michael Adams, Brystin Kwin, Cara Rogers, Shawna Crouse, Kirsten Fields, Tate Russell, Eric Gregory, Senator Schickel.
Industry partners in attendance: Brad Oakley, Gene McLean, Leigh Ann Thacker, Chris Nolan, Sara Barnes, Jason Baird.
2. **Background/History of the Malt Beverage Education Fund (MBEC) and Overview:** Gene McLean provided a historical overview of the Malt Beverage Education Corporation. Brad Oakley discussed the fiscal operations of the MBEC historically. Allyson Taylor outlined the changes made in HB 439 of the 2024 Regular Session of the General Assembly which changed the corporation to the Alcohol Wellness and Responsibility Education Corporation and expanded its purpose and amount that can be provided for Project Prom and Project Graduation.
3. **By-Laws Revisions:** Brad Oakley and Chris Nolan reviewed the by-laws of the MBEC and discussed the process for changing the by-laws to reflect the new structure and purpose. By-laws revisions will be discussed and voted upon at the next regular meeting.
4. **Discussion and Approval of 2024-2025 Meeting Schedule:** The members discussed the need for regular meetings and how best to achieve funding goals during the coming year. It was agreed that for the next fiscal year, the Regular Meeting Schedule will be as follows: September 25, 2024, January 29, 2025, and May 28th, 2025. Motion to approve the regular meeting dates was made by Sen. Schickel, seconded by Eric Gregory, and passed by voice vote.
5. **FY 2024 Funding Request – Kentucky Coalition for Responsible Alcohol and Substance Misuse Education:** Sara Barnes with the Kentucky Distillers’ Association (KDA) outlined the funding request for a three-year pilot project that will connect 10 college campuses across the state as they collaborate to build education, awareness, and cultural changes around underage and responsible drinking. KDA members have raised the matching funds required by statute and are requesting \$152,000 up to \$175,000 (two more campuses may join the coalition) in matching funds from the AWARE Board. After a robust question and answer session with the members, a motion to match the funds was made by Secretary of State Adams, seconded by Allyson Taylor, and passed by voice vote.
6. **Adjourn:** Motion to adjourn was made by Eric Gregory, seconded by Allyson Taylor, and passed by voice vote.

The next regular AWARE Board meeting will be on **Wednesday, September 25, 2025**, at 1:00 pm at 500 Mero Street, Frankfort, Kentucky.

**AMENDED AND RESTATED
BYLAWS
OF
ALCOHOL WELLNESS AND RESPONSIBILITY EDUCATION
CORPORATION**

Article I. Name and Purpose

Section 1. Name. The name of this Corporation is the Alcohol Wellness and Responsibility Education Corporation (the "Corporation").

Section 2. Purpose. The purpose for which the Corporation is organized shall be to receive and administer a fund to be used, subject to the guidelines established in KRS 211.285, and any amendments thereto, for educational programs to deter or eliminate underage drinking and promote alcohol responsibility measures.

Article II. Offices

Section 1. Principal Office. The principal office of the Corporation shall be located at such place as is designated in the Articles of Incorporation of the Corporation or as otherwise amended by filings with the Kentucky Secretary of State. The Corporation may have such other offices, either within or without the Commonwealth of Kentucky, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Section 2. Registered Office. The Corporation shall have and continuously maintain in the Commonwealth of Kentucky a registered office and a registered agent whose office is identical with such registered office, as required by the Kentucky Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board of Directors.

Article III. Members

Section 1. Classes of Members. The Corporation shall have one class of non-voting members, designated as general members.

Section 2. Members. Any person or entity who contributes \$5,000.00 or more to the Corporation annually may become a member by submitting an application to the Secretary.

Section 3. Voting Rights. Members of the Corporation shall not have voting rights.

Section 4. Termination of Membership. The Board of Directors may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of the member's annual contribution for the period fixed in Article XI of these Bylaws.

Section 5. Resignation. Any member may resign by filing a written resignation with the Secretary.

Section 6. Reinstatement. Upon restoring its eligibility for membership or curing its default in the payment of its annual contribution, whichever is applicable, and filing a written request with the Secretary, a former member shall be reinstated to membership.

Section 7. Transfer of Membership. Membership in this Corporation is not transferable or assignable.

Article IV. Meetings of Members

Section 1. Annual Meeting. An annual meeting of the members shall be held in the first quarter of the Fiscal Year, beginning with the year 2024, at a time and date set by the Board of Directors, for the purpose of electing Member Directors as provided by Article V. Section 2.(b). of these Bylaws. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Section 2. Special Meetings. Special meetings of the members may be called by the President or a majority of the Board of Directors.

Section 3. Place of Meeting. For any annual meeting or for any special meeting called by the President or the Board of Directors, the Board of Directors may designate any place, either within or without the Commonwealth of Kentucky, as the place of meeting, or may designate that the meeting will be conducted through video teleconference.

Section 4. Notice of Meetings. Notice of all regular or special meetings shall meet the requirements set forth in KRS 61.820, 61.823, and 61.826.

Section 5. Voting by Mail. Where Directors or officers are to be elected by members or any class or classes of members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

Article V. Board of Directors

Section 1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Classes of Directors. There shall be two classes of Directors: (1) the Commonwealth Directors and (2) one Member Director.

a. The number of Commonwealth Directors shall be as stipulated in KRS 211.285(5), and any amendments thereto. The Commonwealth Directors shall have voting rights except as otherwise provided by KRS 211.285(5), and any amendments thereto.

b. The Members, collectively, may (but are not required to) appoint one representative to the Board of Directors. The Member Director shall have voting rights.

c. Each person appointing a Director shall file a written notice of appointment with the Secretary.

d. A Director shall serve at the pleasure of the person who appointed the Director, and such person may remove its appointee as a Director at any time by written notice to its appointee and to the Secretary. Such person shall also fill any vacancy resulting from the removal, resignation, or death of its appointee.

Section 3. Regular Meetings. A regular annual meeting of the Board of Directors shall be held immediately before or after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, either within or without the Commonwealth of Kentucky, or by video teleconference, for the holding of additional regular meetings of the Board.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the Board of Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the Commonwealth of Kentucky, or by video teleconference, as the place for holding any special meeting of the Board called by them.

Section 5. Notice. Notice of all regular or special meetings shall meet the requirements set forth in KRS 61.820, 61.823, and 61.826.

Section 6. Quorum. A majority of the voting Directors on the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the voting Directors are present at any meeting, a majority of the voting Directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. The act of a majority of the voting Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 8. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors expenses incurred on behalf of the Corporation, including expenses of attending any meeting of the Board, may be reimbursed.

Section 9. The Corporation shall make the mandatory payment provided for in KRS 211.285(9), and any amendments thereto, to any high school in the Commonwealth of Kentucky for "Project Graduation" or similar type events upon the timely completion of the necessary application by the high school without a vote by the Board of Directors.

Section 10. Non-Discrimination. The Board of Directors shall not discriminate on the basis of race, religion, color, national origin, sex, age, or disability in any of its activities or operations. The Board of Directors shall ensure that all Directors, members, staff, volunteers, industry partners, professional advisors, and applicants are treated and considered without regard to their race, religion, color, national origin, sex, age, or disability.

Article VI. Officers

Section 1. Officers. The officers of the Corporation shall be a President, one or more Vice-Presidents (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two of the offices of Vice-President, Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until the officer's successor shall have been duly elected and shall have qualified.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the members and of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, 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 or by these Bylaws or by statute to some other officer or agent of the Corporation; and in general the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice-President. In the absence of the President or in event of the President's inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to the Vice-President by the President or by the Board of Directors.

Section 7. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors.

Section 8. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks or other depositories as shall be selected in accordance with the provisions of Article VIII of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board of Directors.

Section 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer or by the President or the Board of Directors. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

Article VII. Committees

Section 1. Provisions Applicable to All Committees of Directors. The Board of Directors, by resolution adopted by a majority of the voting Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more voting Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation; provided, however, that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the Corporation; amending the articles of incorporation; restating the articles of incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon the Board or an individual Director by law.

Section 2. Standing Finance Committee. The Board of Directors, by resolution adopted by a majority of the voting Directors in office, shall designate a Finance Committee, which shall consist of two or more Directors. The Finance Committee shall review current, past and projected revenues and expenditures to assist the Board of Directors in determining fiscal allocations. The Finance Committee shall ensure a financial report is given at each meeting of the Board of Directors. The Finance Committee shall meet to review all grant applications and make recommendations about funding to the Board of Directors. The Finance Committee shall perform other duties as assigned by the Board of Directions and shall report their activities to the Board of Directors at the next meeting of the Board of Directors.

Section 3. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of

each such committee shall be members of the Corporation, and the President of the Corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Corporation shall be served by such removal.

Section 4. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the Corporation and until the committee member's successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 5. Chairman. One member of each committee shall be appointed Chairman by the person, or persons authorized to appoint the members thereof.

Section 6. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 7. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 8. Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws, with rules adopted by the Board of Directors, or state or federal laws.

Article VIII. Contracts, Checks, Deposits and Funds

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent, or agents of the Corporation, 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 Corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation as approved by the Board of Directors, shall be signed by such officer or officers, agent or agents of the Corporation 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 or an Assistant Treasurer and countersigned by the President or a Vice-President of the Corporation.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks or other depositories as the Board of Directors may select.

Section 4. Gifts to the Corporation. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise to the Corporation for the general purposes or for any special purpose of the Corporation.

Article IX. Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, or the member's agent or attorney, for any proper purpose at any reasonable time.

Article X. Fiscal Year

The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June.

Article XI. Default and Termination of Membership

When any member shall be in default in the payment of its annual contribution for a period of six months from the beginning of the fiscal year, the membership may thereupon be terminated by the Board of Directors in the manner provided in Article III of these Bylaws.

Article XII. Seal

The Board of Directors may provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal. Kentucky."

Article XIII. Amendments to Bylaws

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a majority of the voting Directors present at any regular meeting or at any special meeting, if at least four days' written notice is given of intention to alter, amend or repeal or to adopt new Bylaws at such meeting.

Article XIV. Internal Ethics Policy

Section 1. Public Board Members. Members of the Board of Directors of the Alcohol Wellness and Responsibility Education Corporation who are appointed as “public members” do not fall within the meaning of “public servant” as defined in KRS 11A.010(9). Therefore, these board members do not fall within the purview and are not subject to the Executive Branch Code of Ethics. (See Advisory Opinions 00-60 and 01-13, Executive Branch Ethics Commission).

However, so as to avoid any actual conflict or the appearance of impropriety, any public board member who may have a personal interest, as outlined in Section 3 below, in a funding award or grant shall abstain from any Board of Director involvement in the discussions, awarding of, or monitoring of such a grant. In addition, any public board member who has an affiliation with a grant applicant should likewise abstain from a vote of the Board of Directors regarding the grant applicant.

Section 2. Ex-Officio Board Members. The Executive Branch Code of Ethics governs ex-officio members, or those designees who act as proxies on their behalf. (KRS 11A.010(9)). These members shall also refrain from any action, which creates a potential for conflict or the appearance of impropriety regarding any particular grant applicant or grantee.

Section 3. Factors to be Considered Regarding Abstention. When making a determination of whether to abstain from action, the public Board of Directors member and ex-officio member (collectively “Director”) should consider the following:

- (1) Whether a substantial threat to the Director’s independence of judgment has been created by the Director’s personal or private interest;
- (2) The effect of the Director’s participation on public confidence in the integrity of the Board of Directors;
- (3) Whether the Director’s participation is likely to have any significant effect on the disposition of the matter;
- (4) The need for the Director’s particular contribution, such as special knowledge of the subject matter, to the effective functioning of the Board of Directors; or
- (5) Whether the official decision will affect the Director in a manner differently from the public or will affect the Director as a member of a business, profession, occupation, or group to no greater extent generally than other members of such business, profession, occupation, or group. A public servant may request an advisory opinion from the Executive Branch Ethics Commission in accordance.

Certificate

I hereby certify that I am the duly elected Secretary of the Alcohol Wellness and

Responsibility Education Corporation, a Kentucky non-profit corporation, and that the foregoing bylaws were duly adopted by the Board of Directors on this the 25th day of September, 2024.

By: Bryan D. Dugan
Secretary



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blueandco.com

September 6, 2024

Sara Barnes
Kentucky Distiller's Association
100 Capitol Avenue
Frankfort, KY 40601

Thank you for the opportunity to partner with the Kentucky Distiller's Association ("KDA") and assist in managing the AWARE account of the Malt Beverage Educational Corporation ("AWARE"). Blue & Co., LLC ("Blue") is excited for the opportunity, and we look forward to working with you all to promote responsible consumption and education.

As you know, Blue is extremely passionate about all things Kentucky, especially our bourbon. We're honored to have the chance to assist you with this worthwhile endeavor that will benefit the Commonwealth. We approach each client relationship with active listening, a "no surprises" communication policy, and responsiveness to the client's needs/inquiries. Through frequent meetings and discussions, we trust that AWARE will see Blue as an extension of the management team.

You have asked us to propose on monthly accounting services to record activity in AWARE's accounting software, as well as preparing the income tax return (Form 990) for the entity. We estimate our fees to be \$1200 per month for the accounting, and \$1000 for income tax preparation.

Blue's values are: "We are responsive, caring, and advocates for our clients." We care about your success, and we are excited to work with you!

Respectfully submitted,

A handwritten signature in dark ink that reads 'DG' followed by a small flourish.

Derek Gray