

**ARTICLES OF INCORPORATION
OF
THE KENTUCKY REAL ESTATE EXCHANGORS, INC.
(A Non-profit Corporation)**

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a non-profit corporation under the provisions of Chapter 273 of the Kentucky Revised Statutes, and to that end, do hereby adopt Articles of Incorporation as follows:

ARTICLE I

The name of the corporation is THE KENTUCKY REAL ESTATE EXCHANGORS, INC., and by such name it shall be known as a body corporate and its duration shall be perpetual.

ARTICLE II

The general nature of the objects and purpose of this corporation shall be:

Section 1. To organize into an integrated unit, those persons who are interested in a particular phase of real estate transactions which classified these persons as "REAL ESTATE EXCHANGORS."

Section 2. To institute and continue an education program for the use and benefit of the membership and the public.

Section 3. To perform community services of education and/or business league nature, which would be proposed by the membership from time to time, and which would comply with Section 501(c)(6) of the Internal Revenue Code of 1954.

ARTICLE III

The address of the registered office of the Corporation in the State of Kentucky is 816 Kentucky Home Life Building, Louisville, Kentucky. The name and address of the resident agent of the Corporation is CHARLES W. HEBEL, JR., 816 Kentucky Home Life Building, Louisville, Kentucky 40202.

ARTICLE IV

The names and addresses of the directors who are to serve until the first annual meeting are:

PATRICK H. GORMAN
8117 Wolf Pen Branch Road
Prospect, Kentucky 40059

ROBERT H. PROPST
207 E. Highway 131
Clarksville, Indiana 47130

CAROL W. HEBEL
5806 Orion Road
Louisville, Kentucky 40222

JAMES P. WADDLE
269 Breckinridge Lane
Louisville, Kentucky 40207

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JOHN T. HARRIS
3905 Bardstown Road
Louisville, Kentucky 40218

LINDSAY M. WIGGINTON
P.O. Box 265
Mt. Washington, KY 40047

ARTICLE V

The number of directors to be elected at the first meeting of the shareholders is six. This corporation shall have not less than three, nor more than twelve directors during its existence.

ARTICLE VI

Under the name of the corporation it may adopt a corporate seal, and it has the power to contract and be contracted with, to sue and be sued, and it may receive, accept, purchase or acquire and hold in any other lawful manner, for the benefit of the corporation, its members, associates, or any other cause of a religion, educational, or charitable nature.

ARTICLE VII

The corporation is not organized for pecuniary profit nor shall it have any power to issue certificates of stock or declare dividends, and no part of its net earnings shall inure to the benefit of any member or director. The balance, if any, of all money received by the corporation from its operations after the payment in full of all debts and obligations of the corporation, of whatsoever kind and nature, shall be used and distributed exclusively for charitable, scientific and educational purposes.

ARTICLE VIII

The corporation formed hereby shall have no capital stock, and shall be composed of members rather than shareholders.

ARTICLE IX

The names of the persons who are to be subscribers to the articles and who are to be members of the corporation upon organization are as follows:

PATRICK H. GORMAN
8117 Wolf Pen Branch Road
Prospect, Kentucky 40059

ROBERT H. PROPST
207 E. Highway 131
Clarksville, Indiana 47130

CAROL W. HEBEL
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Louisville, Kentucky 40207

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P.O. Box 265
Mt. Washington, KY 40047

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ARTICLE X

The By-laws may be adopted or amended by a majority of the members of the corporation if so provided in the By-laws by the directors of the corporation.

ARTICLE XI

Membership in the corporation may be terminated in the manner provided in the By-laws of the corporation, and unless otherwise provided in the By-laws, all rights of a member in the corporation shall cease on termination of his membership.

ARTICLE XII

Members of the corporation shall not be personally liable for any debt or obligation solely by reason of being members.

ARTICLE XIII

The Articles of Incorporation of this corporation may be changed be either written consent of a majority of its members or by vote of a majority of those members who are present and voting, at a meeting duly called upon notice for the specific purpose of changing the articles.

BY-LAWS

THE KENTUCKY REAL ESTATE EXCHANGORS, INC. (A Non-Profit Corporation)

Name, type and purpose of organization as recorded in Articles of Incorporation.

Section 1. NAME:

The name of this organization shall be THE KENTUCKY REAL ESTATE EXCHANGORS, INC., hereinafter referred to as K.R.E.E.

Section 2. TYPE:

K.R.E.E. shall operate as a voluntary and nonprofit organization.

Section 3. OBJECTIVES:

The objectives shall be:

- a) To organize into an integrated unit, those persons who are interested in a particular phase of real estate transactions which classify these persons as "Real Estate Exchangors and Counselors".
- b) To provide a forum for real estate exchanging.
- c) To institute and continue an education program for the use and benefit of the membership and the public.

ARTICLE I

Section 1. ACTIVE MEMBERSHIP:

- a) REQUIREMENTS: To become an active member one must:
- 1) Make written application therefore together with a check for (1) years dues to K.R.E.E. Board of Directors.
 - 2) Be a licensed Real Estate Broker or Agent in good standing.
 - 3) Have a generally recognized reputation for truthfulness, honesty and fairness in the community.

Section 2. ASSOCIATE MEMBERSHIP:

- a) REQUIREMENTS: To become and Associate Member one must:
- 1) Make written application therefore together with a check for (1) years dues to the K.R.E.E. Board of Directors.
 - 2) Be a real estate licensee from an area of Kentucky other than Louisville; or from another state other than Southern Indiana.
 - 3) Have a generally recognized reputation for truthfulness, honesty and fairness in the community.
 - 4) Have a sponsor who is a member of K.R.E.E. in good standing and who has checked and verified (2) and (3) above.

Section 3. AFFILIATE MEMBERSHIP:

This category of membership is for non-licensee who hold professional designations in fields related to real estate, i.e. C.P.A., Attorney, Appraiser, etc. They too must have a generally recognized reputation for truthfulness, honesty and fairness in the community.

Section 4. ADMITTANCE TO ANY CATEGORY OR MEMBERSHIP:

All applications shall be submitted to the membership committee

for investigation of the applicant accompanied by a letter of recommendation from the sponsor. The membership committee shall recommend approval or rejection to the Board of Directors who shall make the final decision. The membership committee shall ask the members for thoughts on the applicant prior to making a recommendation to the Board of Directors. If the membership committee recommends rejection, the applicant shall have the right to a hearing before the Board of Directors prior to its acting on the application.

Section 5. MAINTENANCE OF ACTIVE MEMBERSHIP:

In order to remain an active member, a person must successfully complete at least one (1) K.R.E.E. approved educational course per membership year and pay the annual dues and marketing sessions fees and any other financial obligations incurred due to their membership in K.R.E.E. All financial obligations shall be paid within sixty (60) day of billing.

Section 6. PROBATION:

Any prospective member or member not meeting the requirements for admittance or maintenance of active membership may at the discretion of the Board of Directors be granted a probationary period of six months.

Section 7. EMERITUS MEMBERSHIP:

The Board of Trustees may, at their discretion, bestow nonpaying Emeritus Membership status upon members at long standing (10 years or longer) who have reached the age of 65 and who have made substantial contributions to K.R.E.E., or to some other real estate organization or professionally related field.

ARTICLE II

Section 1. CODE OF ETHICS:

Every member of K.R.E.E. is required to observe the provisions of the Code of Ethics of the National Association of Realtors, which has been adopted as the Code of Ethics of the Kentucky Association of Realtors.

ARTICLE III

Section 1. FISCAL YEAR:

The fiscal year of K.R.E.E. shall be the calendar year, equally applicable to finances, and terms of office of officers and directors.

ARTICLE IV

Section 1. PLACE OF MEETINGS:

All meetings of the members shall be held at the principal offices of the corporation, in the city of Louisville, Jefferson County, Kentucky or at a place so designated by the Board of Directors.

Section 2. ANNUAL MEETINGS:

The annual meeting of the members shall be held at a regular market session in November which has been designated as the annual meeting by the Board of Directors. At such meeting there shall be

an election of directors and the transaction of such other business as may properly come before such meeting. If an election of directors shall not take place at such an annual meeting, a special meeting may be called as provided by law.

Section 3. NOTICE OF ANNUAL MEETING:

The secretary of the corporation shall have the duty of giving ten (10) days notice to each member personally or by mail, said notice to state the time and place of such meeting, and to be addressed to each member at his address as the same appears on the records of the company; provided, however, that failure to give such notice shall not affect the validity of such meeting or proceedings threat.

Section 4. SPECIAL MEETINGS:

Special meetings of the members may be held upon call by the secretary when directed by the president or upon written direction of a majority of the directors, and shall be called by the secretary when requested by the Board of Directors. The secretary shall give seventy-two (72) hour notice of such meeting in person or by phone. Each member in good standing may vote at any membership meeting and is entitled to one (1) vote in person, upon proposals submitted to vote at any meeting.

Section 5. QUORUM:

Except as otherwise provided by law, twenty percent (20%) of the attending membership at the meeting shall constitute a quorum when present in person.

Section 6. CONDUCT OF MEETINGS:

The president, or in his absence, the vice president, shall preside at meetings of the members, and the secretary shall act as secretary thereof; but should such officers not be present, their functions may be performed by any of the members present, as chosen by those in attendance.

ARTICLE V

Meetings of Members

Section 1. SPECIAL MEETINGS:

Special meetings may be held at the call of the president or by written request of a majority of the Board of Directors.

Section 2. VOTING:

Every member of the K.R.E.E. in good standing, shall have the right and be entitled to one (1) vote, in person, upon every proposal properly submitted to vote at any meeting of K.R.E.E.

Section 3. GUESTS:

Guests may be brought to no more than two (2) meetings. After the second meeting, if a person wishes to continue attending, he must apply for membership. Guests will not be allowed make formal presentations to the members. Guests will not be charged for attending the meetings.

ARTICLE VI

Dues

Section 1. ANNUAL DUES:

- a) AMOUNT: Annual dues shall be established by the Board of Directors for each of three categories of membership.
- b) TIME OF PAYMENT: Annual dues shall be payable in full advance on or before January 1st.

ARTICLE VII

Section 1. OFFICERS:

The officers of the corporation shall be a President, Vice President, Secretary/Treasurer.

Section 2. ELECTION AND TERMS:

Officers shall be elected annually for one (1) year terms by voting members of K.R.E.E. and shall hold office until their successors have been elected, qualified and installed. Officers may succeed themselves only once.

Section 3. PRESIDENT:

The president shall preside at all meetings including meetings of the Board of Directors. He shall perform all duties usually pertaining to this office, shall be an ex-officio voting member of all committees except the Nominating Committee, and shall appoint all committees subject to the approval of the Board of Directors.

Section 4. VICE PRESIDENT:

In the absence or incapacity of the president, the Vice President shall perform the duties of President.

Section 5. SECRETARY/TREASURER:

The Secretary/Treasurer shall:

1. a) be custodian of all funds and securities of the corporation and collect interest thereon;
- b) keep a record of the accounts of the corporation and report thereon at each regular meeting of the Board of Directors;
- c) deposit all monies of the corporation in such bank as designated by the Treasurer, subject to withdrawal for authorized purposes, upon signature of either the President or Treasurer of the corporation;
2. All securities and other valuable paper shall be placed in a safety deposit box or vault, designated by the Board of Directors, which may be opened only upon the joint signatures of two (2) of the officers of the corporation, one (1) of whom shall be the President or Vice President.

ARTICLE VIII

Board of Directors

Section 1. POWERS:

The governing body of K.R.E.E. shall be the Board of Directors.

Section 2. COMPOSITION:

The Board of Directors of K.R.E.E. shall consist of the officers of K.R.E.E., the immediate past President and eight (8) directors

elected by the membership.

Section 3. TERM OF OFFICE:

The officers of K.R.E.E. shall serve as members of the Board of Directors during their term of office. The immediate past President shall serve as a member of the Board of Directors. Each Director shall serve for a period of two (2) years upon election, except for the initial term herein at which election, four (4) members will be elected for a period of one (1) year. Where a Director, having been elected for two (2) years, has been nominated for a position as an officer, upon accepting such nomination, he must resign as a Director and a special election by the Director shall be held to fill the remaining term of his office. No elected Director may serve more than two (2) consecutive terms of office regardless of the length of each term.

Section 4. VACANCIES:

Vacancies among elected members of the Board of Directors shall be filled by candidates nominated and elected (until the next annual election) by the Board of Directors.

Section 5. DUTIES OF THE BOARD:

The Board of Directors shall transact all business of K.R.E.E. It shall determine the policies, fiscal matters, employment of staff and other personnel policies and in general assume responsibility for the guidance of the affairs of the corporation.

Section 6. REMOVAL OF DIRECTORS, OFFICERS AND/OR EMPLOYEES:

Any director, officer, and/or employee may be removed by the Board of Directors or membership whenever, in the judgement of the Board or membership, the best interest of the corporation will be served thereby, by a two-thirds (2/3) vote of the Board of Directors or members failure to attend three (3) consecutive meetings without a valid excuse shall constitute cause for removal of a Director.

Section 7. DELEGATION OF POWERS:

For any reason deemed sufficient by the Board of Directors, the Board may delegate any power or duty of an officer or director to any other officer or director, but no officer or director shall execute, acknowledge or verify any instrument in more than one (1) capacity.

Section 8. BOARD OF DIRECTORS MEETINGS:

All meetings of the Board of Directors shall be open to the membership, but only members of the Board shall be allowed to vote. The chair shall retain the right to close the meeting to all but members of the Board.

ARTICLE IX

The following shall be standing committees of K.R.E.E.

Section 1. MEMBERSHIP COMMITTEE:

The Membership Committee shall consist of the Chairman and not less than four (4) members. It shall be the duty of this committee to recruit, process, orientate, and induct new members. It shall

also set attendance requirements and compile an annual membership roster.

Section 2. EDUCATION COMMITTEE:

The Education Committee shall consist of the Chairman and not less than four (4) members. It shall plan, promote, coordinate, organize, direct and evaluate educational programs and materials for K.R.E.E. Educational programs shall be held at all marketing sessions and special educational seminars shall be held upon approval of the Board of Directors.

Section 3. PUBLIC RELATIONS COMMITTEE:

The Public Relations Committee shall consist of the Chairman and not less than four (4) members. It shall promote K.R.E.E. in all available public media and within real estate industry.

Section 4. BY-LAWS COMMITTEE:

The By-Laws Committee shall consist of the Chairman and not less than four (4) members. It shall review and approve all proposed amendments to the By-Laws prior to their being passed on by the Board of Directors.

ARTICLE X

Nominations, Elections, Installation

Section 1. NOMINATING COMMITTEE:

Before each October, the President shall appoint a three (3) member Nominating Committee, chaired by the immediate Past President of K.R.E.E.

Section 2. NOMINATIONS:

a) **BY COMMITTEE:** The nominating Committee shall before October 15th propose the names of members for each office and vacancy on the Board of Directors for the coming fiscal year, such proposals made with the consent of the nominees.

b) **AT MEETING:** Nominations from the floor at a meeting shall be permitted.

c) **NOTIFICATION:** In the notification of the annual meeting, the Secretary shall send a list of duly qualified nominees to each voting member.

Section 3. ELECTIONS:

a) **ELECTION COMMITTEES:** The President shall appoint an Election Committee of three (3) members to supervise the election, distribute, collect and count ballots; and report results of the elections.

b) **BALLOT:** Election shall be by ballot, previously prepared, and listed alphabetically for each office all qualified nominees.

c) **ABSENTEE VOTING:** There shall be no absentee voting.

d) **MAJORITY AND TIES:** Election shall be by majority of ballots cast, in case of a tie, balloting shall continue until the tie is broken.

e) **TIME OF ELECTION:** The election shall be conducted at a meeting of K.R.E.E., said meeting to be held in November a set out in Article IV.

Section 4. INSTALLATION:

Officers-elect and Directors-elect shall be installed at either a regular or special meeting of K.R.E.E.

Section 5. ELECTORS:

The Secretary of K.R.E.E. shall issue ballots only to paid up members in good standing, who will be electors.

ARTICLE XI

The Board of Directors may from time to time by vote of a majority of its members make, alter, or rescind any or all of the by-laws of the corporation.