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**BYLAWS
OF
KANSAS ASSOCIATION OF REAL ESTATE INSPECTORS, Ltd.**

Adopted the 9th day of December, 2003

**ARTICLE I
NAME, LOGO, LOCATION**

SECTION 1 The name of this organization shall be the KANSAS ASSOCIATION OF REAL ESTATE INSPECTORS, Ltd., (hereafter referred to as “Association”). The acronym “KAREI” shall also be considered acceptable usage in referring to the Association.

SECTION 2. The Members of the Association may change the name by a majority vote of the membership at any annual meeting.

SECTION 3. The symbol or logo of the Association may hereafter be changed by majority vote of the membership at any meeting where a quorum is present.

SECTION 4. The Office of the Association shall be located in Wichita, Kansas and/or such localities as may be determined by the Board of Directors.

**ARTICLE II
PURPOSES**

SECTION 1. The following are the purposes for which this Association has been organized.

1. To unite those engaged in the real estate inspection profession in the State of Kansas, for the purpose of exerting a beneficial influence upon the profession and related interests.
2. To promote and maintain high standards of conduct and establish a minimum standard in the real estate inspection profession as expressed in the Code of Ethics of the Association.
3. To further the interest in real property inspections, and to provide a unified medium for real estate owners and those engaged in the real estate inspection profession whereby their interests may be safeguarded and advanced.
4. To encourage, promote, and to sponsor or establish, educational standards and programs for those engaged in the real estate inspection profession, as necessary to insure and maintain the high educational standards of the Association’s Members and others engaged in performing real estate inspections.

SECTION 2. The Association shall never form or enter into any agreement, understanding, or combination of any other form of collusion designed to fix prices, suppress competition or in any other matter restrain or monopolize trade or commerce, nor shall the Association engage in any other act or acts which might be in contravention of law or good business practices.

ARTICLE III MEMBERSHIP

SECTION 1. Membership classes and Qualifications:

1. **Member:** A Member is an individual who is engaged primarily in the business of performing independent property condition inspections on a full or part time basis, or any individual engaged in any profession, which is related to or incidental to, the real estate profession. To be accepted, the applicant, the applicants profession or the applicants business (if part time) must not present a real or perceived conflict of interest to the Associations Code of Ethics, By-Laws, Mission Statement, or goals.
 - a. **Requirements:** The Applicant must submit the approved application along with the appropriate dues amount to the Association Board for review. The Board will review the application and upon acceptance send notice to the applicant stating such acceptance. The Applicant must also agree to follow and abide by the Code of Ethics and By-Laws as established by the Association.
 - b. **Privileges:** The Member may:
 - i. Vote in elections and on motions
 - ii. Chair committees
 - iii. Hold elected office
 - iv. Advertise membership in the Association and use the Association logo, within the guidelines established by the Board
 - v. Take the responsibility to promote and safeguard the reputation of the Association, Code of Ethics and interests of the Association
 - vi. Receive reduced attendance fees for educational programs
 - vii. Receive access to the Association mailing list

2. **Sustaining Member:** A Sustaining Member is any individual or company who is interested in assisting the Association in it's primary goals to promote the real estate inspection industry. Sustaining Members have no voting privileges and are ineligible to hold elective office.
 - a. **Requirements:** The Applicant must submit the approved application along with the appropriate dues amount to the Association Board for review. The Board will review the application and upon acceptance send notice to the applicant stating such acceptance. To be accepted the applicant, the applicants profession or the applicants business must not present a real or perceived conflict of interest to the Associations Code of Ethics, By-Laws, Mission Statement, or goals.
 - b. **Privileges:** The Sustaining Member shall have the following privileges:
 - i. May attend all general membership meetings
 - ii. May attend all educational programs at reduced membership fees
 - iii. May have access to the Association mailing list
 - iv. May advertise membership in the Association and use the Association logo, within the guidelines established by the Board
 - c. **Restrictions:** The Sustaining Member may:
 - i. Not vote
 - ii. Not hold elective office

3. **Retired Member:** A Retired Membership may be conferred upon those individuals who have been members in good standing and are no longer active in the inspection industry or related field.

- a. **Requirements:** To be accepted the applicant, the applicants profession or the applicants business (if engaged in any other business) must not present a real or perceived conflict of interest to the Associations Code of Ethics, Mission Statement, or goals. Current Members in good standing may transfer membership to a Retired status without submitting a new application. New applicants for membership must complete and submit the approved application, submit the dues required and agree to the following terms:
- b. **Privileges:** The Retired Member shall have the following privilege:
 - i. May attend all general membership meetings
 - ii. May attend all educational programs at reduced membership fees
 - iii. May have access to the Association mailing list
 - iv. The dues will be _ the standard Member rate
- c. **Restrictions:** The Retired Member may:
 - i. Not vote
 - ii. Not hold elective office

SECTION 2. Acceptance or Expulsion:

1. No single Board member or Officer has the soul authority to accept or reject an applicant or expel a member of any class.

ARTICLE IV FINANCES

SECTION 1. Membership Dues:

1. The schedule of membership dues for each membership class shall be set by the Board of Directors and made available to the membership and may be changed at the discretion of the Board when deemed necessary by a majority vote of the Board constituting a quorum.

SECTION 2. Financial Management:

1. **Deposits:** All monies received by the Association for any purpose shall be deposited to the credit of the Association in a recognized financial institution selected by resolution of the Board of Directors.
2. **Segregation of Dues:** The Treasurer shall record separately, the dues collected and the dues owed the Association.
3. **Expenditures:** The Board of Directors shall administer the finances of the Association, but shall not incur any obligation in excess of available cash on hand without authorization by vote of a majority of all members in good standing.
4. **Signing Limits:** All drafts or expenditures over \$500.00 must be signed by not less than two officers.
5. **Annual Review:** The Board shall, on an annual basis, cause the financial accounts to under go a review to determine the accuracy of the reports.

ARTICLE V OFFICERS AND DIRECTORS

SECTION 1. Composition of the Officers and Directors:

1. The elected officers shall be composed of the following:
 - a. President
 - b. President-Elect
 - c. Secretary

- d. Treasurer
2. The Officers will be elected by the membership of the association and will each serve a two year term or serve until their successors have been duly elected and assume office which ever is greater, or unless removed from office or resign as provided for herein.
3. The first term of office upon the adoption of these Articles shall be as listed below in order to stagger the retirement of officers. This is done in an attempt to maintain continuity on the Board and to facilitate the continuation of projects.
 - a. President two years
 - b. President – Elect two years (then will assume the Presidency)
 - c. Secretary one year
 - d. Treasurer one year
4. Any Inspector Member in good standing who has held a membership for a minimum of two years shall be eligible for nomination and election to any Officer position in this Association. The second term after adoption of these Articles, however will allow only a one year requirement for the office of Secretary and Treasurer.
5. All offices have a term limit of two.

SECTION 2. Duties of Officers:

1. **President:** The President shall preside at all membership meetings. He shall by virtue of his office, be Chairman of the Board of Directors. He shall present, at each annual meeting of the Association, an annual report of the work of the Association. He shall appoint all committees, temporary or permanent. He shall see all books, reports and certificates, as required by law, are properly kept on file. He shall be one of the Officers who may sign the checks or drafts of the Association. He shall have such powers as may be reasonably construed as belonging to the chief executive of any organization.
2. **President-Elect:** The President Elect shall succeed automatically to the Presidency. The Board of Directors shall delegate his duties to him. The President-Elect shall perform the duties of President in the event of the President's inability to serve and in his absence.
3. **Secretary:** The Secretary shall keep the minutes and records of the organization in appropriate books. He shall be the official custodian of the records and seal of this Association.
4. **Treasurer:** The Treasurer shall have the care and custody of all monies belonging to the Association and shall be solely responsible for such monies or securities of the Association. He shall cause to be deposited in a regular bank or trust company a sum not exceeding such amount as deemed adequate by the Directors and the balance of the funds of the Association shall be deposited in a savings bank except that the Board of Directors may cause such funds to be invested in such investments as shall be legal for a savings bank in the State of Kansas. He must be one of the authorized Officers who will sign checks or drafts of the Association. He shall render at stated periods as the Board shall determine, a written account of the finances of the Association and such report shall be physically affixed to minutes of the Board of Directors of such meetings.

SECTION 3. Compensation:

1. The Officers of the Association and the members of the Board of Directors shall serve without compensation except that actual expenses incurred shall be reimbursed as approved by the Board of Directors.

SECTION 4. Board of Directors:

1. The governing body of the Association shall be a Board of Directors comprised of the immediate past President and a minimum of five (5) additional Members. to a maximum

of nine (9) Members of which, a majority must be full time inspectors and must include the Officers of the Association. The immediate past President will be a non-voting member unless a vote of the Board ends in a tie at which time the past President will cast the deciding vote. Should the past President be appointed or elected to an Officer position, he will then have one vote as allow for the position held and one tie breaking vote, for two votes total. Officers shall serve a term concurrent with the term of office held as listed under Article V and at-large Directors will serve for a term of one year.

SECTION 5. Election of Officers and Directors:

1. Any eligible class Member in good standing may be nominated for a seat on the Board. All nominations must be received by the Secretary no less than fifty (50) days prior to the annual meeting. The names received will be compiled and included on the notice of Annual Meeting which will be sent out no more than forty five (45) or less than ten (10) days before the annual meeting as required in these Articles.
2. Officers shall be nominated from current or former Board members and all nominees shall have served at least one year on the Board of Directors.
3. The election of Officers and Directors shall take place at the annual meeting. Election shall be by written ballot or by proxy vote.
4. Election to office must be by a majority vote and a quorum must be represented in person or by combination of in person and proxy votes.
5. It is understood by the Association Members that the business of the Association is important and must be conducted in a timely manor. Each member, therefore agrees that if they are not present in person or by proxy, they voluntarily temporally suspend their voting privileges for the scheduled meeting. They further agree that if by their absence a quorum should not be represented to vote for offices or on other business then the following will stand.
 - a. The President Elect will rise to the Presidency.
 - b. The Board of Directors shall elect a new President Elect following the guidelines listed above.
 - c. Any vacant Officer position will be filled by appointment of the Board.
 - d. The existing board may vote to accept the current members present, in person and by proxy as a temporary quorum in order to carry out the business of the association.
6. After the tenth year following the adoption of these Articles, no more than 49% of the board members may be from the same geographical area with a radius of 75 miles from the main office address of each other, or who's members are affiliated with the same local chapter or organization.

SECTION 6. Resignation:

1. Any Officer or Board member may resign at any time giving written notice of such resignation to the Board, the President or the Secretary. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board or by listed Officer, and acceptance of such resignation shall not be necessary to make it effective.

SECTION 7. Removal:

1. Any Officer or Board member may be removed, either with or without cause by a majority vote of the membership a quorum having been met.

SECTION 8. Vacancies:

1. Vacancies among the Officers and the Board of Directors shall be filled by the Board of Directors until the next annual election. Any Officer or Director missing three (3) consecutive scheduled meetings shall forfeit his office or directorship, unless excused by the Board of Directors.

**ARTICLE VI
MEETINGS AND VOTING**

SECTION 1. Annual Meetings:

1. The Annual Meeting of the Association shall be held no later than the first quarter of each calendar year, the date, place, and time to be designated by the Board of Directors.

SECTION 2. Meetings of Directors:

1. The Board of Directors shall designate a regular time and place of meeting. Absence from three (3) consecutive regular meetings, without an excuse deemed valid by the Board of Directors, shall be construed as resignation from their office and Directorship. If any individual or group wishes to address the Board on any topic, that individual or group must make a request in writing to a Board member for a place on the agenda at least two (2) weeks before a regularly scheduled Board meeting. The prior notice to address the Board may be waived by a majority vote of the Board.

SECTION 3. Notice of Meetings:

1. Written or electronic notice shall be given to every member entitled to participate in meetings not less than ten (10) and not more than forty five (45) days preceding the meeting.

SECTION 4. Quorum:

1. A Quorum for the transaction of business shall consist of one-third (1/3) of the members eligible to vote and present in person or by proxy, unless amended as listed under Article V, SECTION 5.5

SECTION 5. Special Meetings:

1. The President may call special meetings of the Association when he deems it for the best interest of the Association. Notices of such meetings shall be sent via mail or electronic means to all members at least six (6) but not more than ten (10) days before the scheduled date set for such special meeting. Such notice shall state the reason that such meeting has been called, the business to be transacted at such meeting, and by whom called.
2. Special Meeting Requirements:
 - a. At the request of 50% of the members of the Board of Directors or 50% of the Members of the Association, the President shall cause a special meeting to be called, but such request must be made in writing at least twenty (20) days before the requested scheduled date. A proxy vote will be accepted as noted in SECTION 4. Quorum.

SECTION 6. General Membership Meetings:

1. There shall be a minimum of one (1) general membership meeting per year; the date is to be set by the Board. The Board may call additional regular meetings as is deemed necessary.

SECTION 7. Management of Meetings:

1. All meetings shall be conducted in compliance with Roberts Rules of Order.

SECTION 8. Voting of Members:

1. Each Member shall be entitled to one vote on each matter submitted for vote to the Members of this Association, except to the extent that the voting rights of Members of any class are limited or denied by the Bylaws or by law.
2. A qualified Member may vote in person or by proxy executed in writing by the member.
3. On special occasions a special mail-in ballot or telephone vote may be administered. Any telephone vote must be administered and audibly witnessed by no less than two Officers or Directors
4. A majority vote shall be defined as greater than fifty percent (50%) of eligible voters.
5. The Members rights as established in these bylaws may not be amended by less than a 2/3's vote or the membership.

SECTION 9. Meeting Order of Business

1. Call to order and certify a quorum and count proxies
2. Approval of minutes of the previous meeting
3. Financial report
4. Discussion of old business
5. New business to include committee reports
6. Election of Directors and or Officers (at the appropriate meeting)
7. Announcements
8. Adjournment

**ARTICLE VII
COMMITTEES**

SECTION 1. Standing Committees:

1. The President may appoint from among the qualified Members, subject to confirmation by the Board of Directors, the following standing committees:
 - a. Education
 - b. Public Relations
 - c. Grievance
 - d. Legislative

SECTION 2. Special Committees:

1. The President shall appoint, subject to confirmation by the Board of Directors, such special committees, as he or the Board deem necessary.

**ARTICLE IIX
FISCAL AND ELECTIVE YEAR**

The fiscal year and elective year of the Association shall be October 1st to September 30th, with newly elected officials taking office at the conclusion of the meeting in which they were elected.

**ARTICLE IX
AMENDMENTS**

SECTION 1. Amendments to the By-laws:

1. These Bylaws may be amended by majority vote of the voting Members present and qualified to vote at any meeting at which a quorum is present, or by written proxy received by the Association. The amendments shall be plainly stated and presented in writing.

**ARTICLE X
OFFICERS & DIRECTORS INDEMNITY**

Any person now, previously or hereafter, a Director or Officer of the Association shall be indemnified and held-harmless by all parties against all expenses, claims and or losses incurred or suffered by any person, organization or group in connection with any action or actions taken by the Officers or Directors while holding a position in the Association. The Association will carry insurance coverage sufficient to protect the Officers, Board members and the Association.

**ARTICLE XI
TAX EXEMPTION**

The operation of the Association shall be conducted in such a manner as not to cause a violation of SECTION 501 (c) (6) of the Internal Revenue Code of 1954, nor shall any Bylaw herein or hereafter be valid if it does not comply with the Code provisions as those provisions are now stated or as they may hereafter be amended. Nor shall any action be taken by the members of the Board of Directors, which would violate the provisions of the Kansas Non-Profit Corporation Act. Nothing herein shall be construed to violate or infringe on the federal and state tax exemptions, nor on the nonprofit corporation charter; and should any such provision herein be so construed, it shall automatically, without the need for voting thereon, be negated and considered null and void and of no legal effect.

**ARTICLE XII
SEVERABILITY**

Should any provision of these Articles or the application thereof to any person or circumstance be determined to be invalid or unenforceable to any extent, the remainder of these Articles and the application of such provision to other persons or circumstances shall not be affected and shall be enforced to the full extent permitted by applicable law.

Signed this 9th day of December, 2003

Jeff Barnes, President

Brent Voran, Director

Kerry Parham, President Elect, Treasurer

Tom Beard, Secretary

Office of the Secretary of State/Corporation Division
Not-For-Profit Articles of Incorporation of
KANSAS ASSOCIATION OF REAL ESTATE INSPECTORS Ltd.

We, the undersigned incorporators, hereby associate ourselves together to form and establish a corporation Not-For-Profit under the laws of the State of Kansas.

ARTICLE I: The name of the Corporation is:

Kansas Association of Real Estate Inspectors, Ltd., a close corporation

ARTICLE II: The address of the Corporation's registered agent and registered office in Kansas is as follows:

Kerry Parham - 12601 JAYSON, WICHITA, KANSAS 67235

ARTICLE III: This Corporation is organized **NOT FOR PROFIT** and the nature of the Corporation's business or purposes to be conducted or promoted is:

1. The members of the Kansas Association of Real Estate Inspectors Ltd. are dedicated to the ethical and professional development of the real estate inspection industry, are diligent in representing the interests of its members, and dedicated to the exchange of ideas and disseminating information to the public which fosters a positive image and relationship.
2. To further such object and purposes, the Corporation shall have and may exercise all the powers conferred by the laws of the State of Kansas upon Corporations formed under the laws pursuant to and under which this Corporation is formed, as such laws are now in effect or may at any time hereafter be amended.
3. This Corporation shall not have or exercise any power or authority either expressly, by interpretation, or by operation of law, nor shall it directly or indirectly engage in any activity that would prevent this Corporation from qualifying (and continuing to qualify) as an organization described in section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).
4. This Corporation shall never be operated for the primary purposes of carrying on a trade of business for profit.
5. No compensation or payment shall ever be paid or made to any member, officer, director, trustee, creator, or organizer of this corporation, or substantial contributor to it, except as an allowance for actual expenditures or services actually made or rendered to or for this Corporation; and neither the whole nor any portion of the asset or net earnings, current or accumulated, of this Corporation shall ever be distributed to or divided among any such person; provided, further that neither the whole nor any part or portion of such assets or net earnings shall ever be used for, accrue to, or inure to the benefit of any members or private individual within the meaning of section 501 (c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).
6. No member of this Corporation shall benefit financially from the dissolution thereof. Upon the dissolution of this Corporation, the governing body shall, after paying or making provision for the payment of all of the liabilities of the

Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such a manner, or to such organization or organization of organizations under section 501 (c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), as the governing board shall determine. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the principal offices of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE IV: This Corporation will not have authority to issue capital stock.

ARTICLE V: The membership of the Association covered under these Articles do have conditions attached as listed in the Bylaws of the Association.

ARTICLE VI: Name and mailing address or each incorporator is as follows:

- Jeff Barnes 610 Rivera, Mulvane, KS 67110
- Kerry Parham 12601 Jayson, Wichita, KS 67235
- Tom Beard 934 N. Shefford, Wichita, KS 67212
- Brent Voran 1311 Hillcrest, Newton, KS 67114

ARTICLE VII: Name and mailing address of each person who is to serve as director until the first annual meeting of the membership or until a successor is elected and qualified is as follows:

- Jeff Barnes 610 Rivera, Mulvane, KS 67110
- Kerry Parham 12601 Jayson, Wichita, KS 67235
- Tom Beard 934 N. Shefford, Wichita, KS 67212
- Brent Voran 1311 Hillcrest, Newton, KS 67114

ARTICLE IIX: This corporation is to exist perpetually.

We declare under penalty of perjury under the laws of the state of Kansas that the foregoing is true and correct.

IN TESTIMONY WHEREOF, we have hereunto subscribed our names this 1st day of July, 2003.

_____ Jeff Barnes	_____ Incorporator
_____ Kerry Parham	_____ Incorporator
_____ Tom Beard	_____ Incorporator
_____ Brent Voran	_____ Incorporator