

BY-LAWS
OF
MORTGAGE BANKERS ASSOCIATION OF THE
BLUEGRASS, INC.

ARTICLE I

NAME

- 1.1 Name: The official name of this Association shall be the Mortgage Bankers Association of the Bluegrass, Inc.; P.O. Box 1054, Lexington, Kentucky 40588.

ARTICLE II

OFFICES

- 2.1 Principal Office: The principal office of the Corporation in the Commonwealth of Kentucky shall be located in the City of Lexington, P.O. Box 1054, Lexington, Kentucky, 40588-1054. The Corporation may have such other offices, either within or without the Commonwealth Of Kentucky, as the business of the Corporation may require from time to time.
- 2.2 Registered Office: The registered office of the Corporation may be, but need not be, identical with its principal office in the Commonwealth of Kentucky. The address of the registered office may be changed from time to time by the Board of Directors. The Registered Office is that which is in the records of the Secretary of State.

ARTICLE III

MEMBERSHIP MEETINGS

- 3.1 Annual Meetings: Nominations will be held at the annual meeting of members during the Month of September for the election of officers and directors and the transaction of such Other business as may properly come before it. If the election of officers and directors shall not be held in October, the Board of Directors shall cause the election to be held at a special meeting of the members to be held as soon thereafter as may be practicable.
- 3.2 Special Meetings: Special meetings of the members may be called by the President, by a Simple majority of the members of the Board of Directors, or by any six (6) members by Filing with the Secretary a written call over their signature, such call to be filed at least ten (10) days in advance of said meeting.
- 3.3 Place of Meetings: The Board of Directors may designate any place within or without the Commonwealth of Kentucky as the place for any annual meeting, or any place within or without the Commonwealth of Kentucky as the place for any special meeting called by the Board of Directors.

- 3.4 Notice of Meetings: Notice of special meetings stating the place, day, and hour of the meeting, the purpose for which the meeting is called, shall be delivered not less than five (5) days nor more than fifty (50) days before the date of the meeting, either personally, by mail or email, by or at the direction of the President or the Secretary, or the officer or persons calling the meeting to each member of record entitled to vote at such meetings.
- 3.5 Meetings: The regular meetings of the Corporation shall be held throughout the year At such place and time as the Board of Directors shall designate.
- 3.6 Quorum: A simple majority of the active members present and in good standing shall constitute a quorum of any meeting of the Corporation. A quorum is required when voting on any action by the Corporation. A member registered with the Corporation and Employed by a member firm in good standing shall have one (1) vote.

ARTICLE IV

DIRECTORS

- 4.1 General Powers: The business and affairs of the Corporation shall be managed by its Board of Directors.
- 4.2 Numbers: The number of elected directors of the Corporation shall consist of at least eleven (11) directors, but not more than fifteen (15), excluding Past Presidents. The Board of Directors shall consist of the elected officers, the immediate Past President of the Mortgage Bankers Association of the Bluegrass, Inc., and up to ten (10) other individuals. ***The full Board can include a maximum of five (5) Associate Members. The officers shall include no more than Fifty per cent (50%) Associate Members.*** The Board of Directors of the Corporation will be elected by the members. To be considered for a Director position, one must be an active member of the Corporation or meet the qualifications of an Associate and serve as an Associate member.
- 4.3 Past Presidents: All past presidents who are currently active members of the Corporation, still active in the mortgage industry, and are willing to serve on the Board, shall be members of the Board of Directors with voting rights. The Nominating Committee shall initiate contact with past presidents to determine their desire and willingness to serve. To prevent the size of the Board from exceeding the number in 4.2, once the Board has 15 members, Past Presidents will be asked to serve on the Advisory Committee.
- 4.4 Attendance Requirements: Directors and voting past presidents are expected to support The Corporation by their regular attendance at meetings. If a Director or past President is absent (unexcused) for more than three (3) board meetings per year, he/she shall lose voting rights on the Board, unless just cause is presented to the Board. *(Because a quorum*

has been defined as a simple majority, business can be conducted. SW)

- 4.5 Regular Meetings: A regular meeting of the Board of Directors shall be held at least every two (2) months, commencing in January, with ten (10) days' notice of said meeting. The Board of Directors may provide, by resolution, the time and place, either within or without the Commonwealth of Kentucky, for the holding of additional regular meetings without other notice than this meeting.
- 4.6 Special Meetings: Special meetings of the Board of Directors may be called by or at the request of a majority of directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the Commonwealth of Kentucky, as the place for the holding or any special meeting of the Board of Directors called by them.
- 4.7 Notice: Notice to each board member of any special meeting shall be delivered and confirmed at least five (5) days prior thereto by written notice, mailed, faxed, or emailed to each director at his/her business address. A 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 where 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. Neither the business to be transacted at, or the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.
- 4.8 Quorum: A simple majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of the entire Board of Directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.
- 4.9 Manner of Acting: The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the entire Board of Directors.
- 4.10 Vacancies: Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors (ex: from 11 to 15) may be filled by the Board of Directors for a term off office continuing only until the next election of directors by the members.
- 4.11 Functions:
- (A) The Board of Directors shall be responsible for the appropriation of all funds

of the Corporation and shall, through the President or other duly authorized member of the Board, approve all vouchers in excess of Five Hundred Dollars (\$500.00) before payment by the Treasurer. It shall receive and approve the budget and the annual audit of the financial transactions of the Corporation.

- (B) It shall have the authority to approve all non-reimbursed expenditures of the Corporation not exceeding Three Thousand Dollars (\$3,000). Any expenditure in excess of three Thousand Dollars (\$3,000) must be approved by the general membership.
- (C) It shall approve all projects recommended by any Committee, which must be approved by a two-thirds (2/3) majority vote of the entire Board before submitting the same to a vote by the general membership.
- (D) It shall pass upon all grievances, ethics violations and complaints by or against a member, and may take such action, as it deems appropriate on behalf of or against such member. It may, for good cause, declare an office vacant upon a two-thirds (2/3) majority vote of the entire board.
- (E) It may fill vacancies that occur during the year except in the offices of President and President Elect which offices shall be filled only as provided by Article V of the By-Laws.
- (F) The full Board has the authority to overturn any previous decision, with reconsideration requiring approval of such overruling by a simple majority vote.
- (G) Each member of the Board must either chair a committee, co-chair a committee, or serve on at least one committee.

4.12 Action by Written Consent: Any action required or permitted to be taken by the Board of Directors at a meeting may also be taken without a meeting if it is a consent, setting forth the action so taken and confirmed by a simple majority of the directors.

ARTICLE V

OFFICERS

5.1 Classes: The officers of the Corporation shall be a President, a President Elect, a Secretary, and a Treasurer, each of whom shall be elected by the members. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the members.

5.2 Election and Term of Office: The officers of the Corporation must be active members.

The officers shall be elected annually by the members. Vacancies may be filled, or new offices created and filled at any meeting of the members. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

- 5.3 Removal: Any officer or agent elected or appointed by the members may be removed by the members whenever, in its judgment, the best interest of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.
- 5.4 Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the members for the unexpired portion of the term.
- 5.5 President: The President shall appoint all Committees, shall preside at all meetings of the Corporation and the members, and shall perform such other duties as ordinarily pertain to such office. The President shall be the ex-officio member on all standing committees. in the event of a vacancy in the office of President, the President Elect shall assume the office and title of President during the unexpired term of the President.
- 5.6 President Elect: the President Elect shall have the duty of familiarizing himself/herself with all Corporation affairs and preparing for assuming the Presidency. He/She shall work under and in cooperation with the President. The President Elect shall preside at any meeting in the absence of the President and shall serve as Program Chairperson. In the event of a vacancy in the office of President Elect, the office shall remain vacant until the next annual election, otherwise a special election shall be called to fill the office.
- 5.7 Secretary: It shall be the duty of the Secretary to keep the records of membership, record the attendance at meetings, send out notices of meetings to the Corporation, Board and Committees, record and preserve the minutes of such meetings, and perform such other duties as customarily pertain to such office.
- 5.8 Treasurer: It shall be the duty of the Treasurer to have custody of all funds, accounting for same to the Corporation at its annual meeting and at any other time upon demand by the Board of Directors, and to perform such other duties as pertain to such office. By the first Board meeting after an election, he shall reset all electronic passwords and transfer all new signatures necessary for the incoming Treasurer. He/Se shall collect all dues and funds of the Corporation and deposit them in bank or depository named by the Board of Directors. He/She shall report any delinquent accounts to the Board of Directors.

He/She must maintain an up to date membership list for purpose of billing notices. He/She shall turn over to the successor or to the President all funds, books, and accounts or any other Corporation property in his/her possession. Upon taking office, the Treasurer and the President will review all books and report findings to the Board of Directors no later than the second Board of Directors meeting.

5.9 Salaries: All officers shall serve without compensation.

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

6.1 Contracts: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract and execute and deliver any instruments in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

6.2 Loans: No loans shall be contracted on behalf of the Corporation and no evidences of Indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

6.3 Checks, Drafts, etc.: All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation 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.

6.4 Deposits: All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies and other depositories as the Board may select.

ARTICLE VII

DUTIES OF COMMITTEES

7.1 Standing Committees: The President shall appoint the following Standing Committees: (1) Education and Programs; (2) Membership; (3) Budget and Finance; (4) Publicity and Communications; (5) Ethics and By-Laws; (6) MBA of Kentucky; (7) Technology and Social Media; (8) Legislative; (9) Nominating; (10) Annual Awards; (11) Affiliate Relations; (12) Advisory.

7.2 Special Committees: In addition to Standing Committees, there shall be appointed by the President such special committees as the President of the Board may deem appropriate and necessary.

ARTICLE VIII

DUTIES OF COMMITTEES

- 8.1 Education and Programs: This committee shall be chaired by the President Elect. This Committee shall plan, prepare and arrange for at least two (2) Mortgage Banking educational seminars to be presented each year for member education. This committee is responsible for organizing the monthly meeting. This includes identifying the location for the meeting, scheduling the speakers and securing sponsorships for the events. Additionally, this committee is responsible for arranging special meetings.
- 8.2 Membership: This committee shall be in charge of recruitment and retention of members and shall notify the Corporation of any illness or distress existing among the general membership and send correspondence or flowers to such sick or bereaved members. They shall particularly devote their attention to the proper welcoming of new members and guests, striving to encourage friendship among the members.
- 8.3 Budget and Finance: The Treasurer shall serve as the Chairperson of this committee. This Committee shall prepare a budget of the estimated income and expenses of the Corporation for the year, and shall pass upon all major expenditures of the Corporation, same having been recommended and approved previously by the Board of Directors. Within sixty (60) days of the end of the year the Budget and Finance Committee shall cause a review of the books and preparation of the annual tax return, or provide information to an outside third party for same.
- 8.4 Publicity and Communications: this committee shall be responsible for supplying monthly Notices concerning the Corporation meetings to available media outlets, as desired by the Board. It shall further disseminate all interesting information furnished them by officers Of the Corporation and Chairpersons of various committees.
- 8.5 Ethics and By-Laws: The Code of Ethics of the Corporation shall be the Code of Ethics of the Mortgage Bankers Association of America. This committee shall be responsible for the recommendation of any deletions or additions to the Corporation Code of Ethics. Further, it shall be responsible for conducting all inquiries resulting from an accusation of a member's violation of the Code of Ethics and reporting to the Board of Directors, their findings and recommendations, provided that such member shall have been given ten (10) days notice in writing of such pending action together with a copy of the complaint against him/her. Final action shall be the exclusive right of the Board of Directors. In addition, this committee shall be responsible for undertaking review of the By-Laws and recommend to the Board of Directors any changes that are deemed necessary.
- 8.6 MBA of Kentucky: This committee shall be responsible for reporting all current and pertinent activities of the Mortgage Bankers Association of Kentucky. Includes current

President plus three other persons appointed by the President and who will attend MBACKY functions and meetings.

- 8.7 **Technology and Social Media:** This committee is responsible for the development and Future upgrades to the Mortgage Bankers Association of the Bluegrass website, stay Current on all technological advances in the industry and keep the Board of Directors informed. In addition, this committee is responsible for any Social Media outreach to Members or the public, whether it be Facebook, LinkedIn, Twitter, or other varieties that the Board deems of value. This committee should also coordinate website with the MBA of Kentucky state website.
- 8.8 **Legislative:** This committee shall be responsible for reporting to the Board of Directors and the membership any current activity on local, state or national legislative issues.
- 8.9 **Nominating:** This committee shall be responsible for selecting potential Board Members and Officers to fill vacating positions. The President shall appoint the Committee, consisting of at least three (3) active members. The Chairperson shall be the immediate past President, plus two (2) others. The appointments must be made by the President by July of each year.
- 8.10 **Annual Awards:** This committee shall be responsible for recommending a candidate for Mortgage Banker of the Year Award and any other special awards designated by the Board of Directors. The President shall appoint this Committee no later than August of each year.
- 8.11 **Affiliate Relations:** This committee shall be responsible for coordinating activities between MBA of the Bluegrass and other groups, such as Realtors, Builders and other groups chosen by the Board.
- 8.12 **Advisory:** This committee shall consist of Past Presidents and Past Board members or Board Officers. The committee will be Chaired by either a Past President or Past Board Member.

ARTICLE IX

ELECTION OF OFFICERS AND DIRECTORS

- 9.1 **Election Meeting:**
- (A) No later than the regular meeting in July of each year, the President shall appoint a Nominating Committee, as specified in section 8.9.
- (B) The Nominating Committee shall prepare a report giving the offices to be filled and one or more members for each office. This report must be presented to the Corporation at least one meeting before the Election Meeting.

- (C) At any time after the report of the Nominating Committee and before the final election of officers whose nominations have been made by the Nominating Committee, upon motion of any member, or filed with the Secretary, or made upon the floor immediately prior to election, any name or names of candidates for any office shall be placed upon the ballot to be voted upon by the Corporation.
 - (D) At the Election Meeting, there shall be furnished the entire membership in good standing, a ballot containing the names of the nominees for the respective offices, upon which each member shall indicate his/her choice. If all officers are unopposed, then a ballot is not required.
 - (E) The President shall be an active member and shall have served in one of the following Capacities: Board of Directors or elected officer.
- 9.2 Balloting: the nominees receiving the largest number of votes so cast for the respective offices for which they were nominated shall be declared elected for the terms of office commencing January 1st next following the election. A member of the voting Corporation must be present at the Election Meeting in order to vote for any nominee.

ARTICLE X MEMBERSHIP

- 10.1 Active Members: An active member is defined as any firm which originates mortgage loans secured by real estate as their primary activity.
- 10.2 Associate Members: An associate member shall be defined as any firm, person, or corporation which shall not be eligible for active membership as described above. Associate members shall include, but not be limited to, credit agencies, appraisers, title companies, attorneys, surveyors, mortgage insurance companies and insurance companies.
- 10.3 Election of Members: Members of this Corporation shall be elected in the following manner:
- (A) A prospect for membership must have been in business for one (1) year in Kentucky or a full member in good standing with the Mortgage Bankers Association of America. The proposal for membership shall be in writing and shall contain the firm name, address, and a complete statement of the firm's qualifications for membership.
 - (B) It is the exclusive right of the Board of Directors to waive the requirement that the prospect must have been in business for one (1) year in Kentucky or a full member in good standing with the MBA of America with a 2/3rds majority vote.

- (C) The Membership Committee shall have the right to investigate the application and make a recommendation for approval or rejection to the Board.
- (D) The Board of Directors shall have a confidential written vote with majority approval constituting membership approval. If the application is rejected, the applicant may appeal to the general membership for approval.
- (E) Upon Board rejection and appeal by the applicant, the Secretary shall thereupon read, in an open meeting of the Corporation, the name of the candidate for membership, together with any such data as the Board of Directors may prescribe. A vote shall be made by the general membership with a 2/3rds majority vote required to pass.
- (F) Upon approval for membership, the candidate shall be notified of their election to membership. If all dues of the newly approved applicant are not paid within sixty (60) days of notification, they must re-apply.
- (G) Any re-application for membership shall not be placed before the Corporation for action within a six (6) month period.
- (H) Any past Presidents of the Corporation no longer employed in the industry may attend any and all member functions and bear the costs of same.

ARTICLE XI

INITIATION FEE AND DUES

11.1 Initiation Fee:

All new members will be assessed an initiation fee along with the first year's membership dues. This fee shall be forwarded to the Mortgage Bankers Association of Kentucky and shall be increased in accordance with any increase in the initiation fee charged by the MBA of Kentucky.

11.2 Membership Dues:

(A) Membership dues for an active or associate member shall be determined annually by the Board of Directors. Any increase must be approved by simple majority vote of the General Membership.

(B) Membership in the Mortgage Bankers Association of the Bluegrass, Inc. automatically constitutes membership in the Mortgage Bankers Association of Kentucky. A portion of annual dues will be forwarded to the MBA of Kentucky.

11.3 When Payable: All dues shall be payable when billed by the Treasurer and no later than Sixty (60) days following the date dues are scheduled to be paid.

ARTICLE XII

RESOLUTIONS AND SUBSCRIPTIONS

12.1 Resolutions: No resolution or motion to commit this Corporation on any matters shall be considered by the Corporation until it has been considered by the Board of Directors. Such resolutions or motions, if offered at a membership meeting, shall be referred,

Without discussion, to the Board which, after having given consideration to the matter, shall submit its recommendation to the membership. Having received the recommendation of the Board, the membership may then proceed to tack such action as may seem proper to the majority.

ARTICLE XIII

TERMINATION OF MEMBERSHIP

- 13.1 Resignation: Resignation of any member, when delivered in writing to the President or Secretary, shall be effective immediately upon its acceptance by the Board provided all Indebtedness of such member to the Corporation has been paid.
- 13.2 Non-Payment of Dues: Any member owing dues to the Corporation for a period of sixty (60) days shall be deprived of all privileges of the Corporation. If a company applies for Reinstatement they will be assessed a late penalty as determined annually by the Board of Directors.
- 13.3 Non-Attendance: If any member company shall absent itself from three (3) consecutive meetings of the Corporation without valid excuse his/her membership may be suspended unless such absence is excused by the Board of Directors for good and sufficient reasons.
- 13.4 Misconduct: Any member who, by personal or business conduct, violates the principles or ethics of the Corporation may be expelled from membership by the Board of Directors by a two-thirds (2/3) vote of the entire Board. Such member shall have been given ten (10) days notice in writing of such pending action together with a copy of the complaint against him/her. Member shall have ten (10) days from date of notice for rebuttal. should the Board of Directors elect to expel the member, they are not eligible for the reinstatement for a period of at least one year. Reinstatement is at the Board of Directors discretion by a two-thirds (2/3) majority vote of the entire board. This shall be done after their hearing by the Ethics Committee and said Ethics Committee has so recommended to the Board of Directors.

ARTICLE XIV

MISCELLANEOUS

- 14.1 Amendments: These By-Laws may be amended by a two-thirds (2/3) vote of the active members in good standing present and voting at any regular meeting of the Corporation, after recommendation of the Board of Directors, provided written notice of such proposed amendments shall have been given to members at least ten (10) days prior to the meeting. No amendments or additions to these By-Laws shall be made which are not in

conformity with the Corporation's Constitution.

- 14.2 Fiscal Year: The fiscal year of the Corporation shall begin on the first day of January in each calendar year and end on the last day of the year unless the Board of Directors by resolution otherwise provides.
- 14.3 Seal: The Board of Directors may adopt a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, the State of Incorporation, and the word "seal".
- 14.4 Waiver of Notice: Whenever any notice is required to be given under the provision of these By-Laws, or under the provisions of the Corporation's Articles of Incorporation, or under the provisions of the Corporation Laws of the Commonwealth of Kentucky, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.
- 14.5 Construction: Unless the context specifically requires otherwise, any reference in these By-Laws to any gender shall include all other genders. Any reference to a singular shall include the plural, and any reference to the plural shall include the singular.
- 14.6 Canon of Ethics: All members shall adhere to and abide by the Mortgage Bankers Association of America Canon of Ethics and Standards of Practice, attached hereto.

