

**ARTICLES OF INCORPORATION
OF**

KENTUCKY ASSOCIATION FOR VAPING ADVOCACY, INC.

The undersigned incorporator signs these Articles of Incorporation for the purpose of forming a non-profit corporation under Chapter 273 of the Kentucky Revised Statutes.

ARTICLE 1

The name of the corporation is

Kentucky Association for Vaping Advocacy, Inc. (the "Association")

ARTICLE 2

(a) The Association is organized and operated exclusively as a professional and trade organization within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or corresponding section of any future federal tax code). Specifically, the business of the Association will be to act for and on behalf of the membership where necessary, with respect to matters affecting the purchase, acquisition, advertising, distribution, taxation, regulation and sale of electronic cigarettes in Kentucky; to foster and promote the sale and responsible use of electronic cigarettes in Kentucky; to represent and promote the growth of the sale of electronic cigarettes in Kentucky as an alternative to the use of tobacco products; to engage in government relations for complying with and improving State and Federal laws and regulations and to advocate on behalf of the membership with respect thereto; to make and enforce such regulations for the general conduct of the membership as the Board of Directors of the Association may deem proper; to keep its members informed on matters of general interest to the industry; and to otherwise improve the business conditions of electronic cigarette retailers. In carrying out its corporate purposes, the Association shall have all the powers allowed corporations by Chapter 273 of the Kentucky Revised Statutes

(b) No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its members, directors, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. Notwithstanding any other provision of this document, the Association shall not carry on any other activities not permitted to be carried on by an organization exempt from federal income tax under Section 501(c)(6) of the Code, or the corresponding section of any future federal tax code.

ARTICLE 3

The Association shall neither have nor exercise any power, nor shall it directly or indirectly engage in any activity that would:

- (a) prevent it from obtaining or maintaining exemption from federal income taxation as a Association described in Section 501(c)(6) of the Code;
- (b) cause it to lose its exempt status under Section 501(c)(6) of the Code;
- (c) cause it to be operated for the primary purpose of carrying on a trade or business for profit; or
- (d) violate applicable federal, state or local laws;

ARTICLE 4

The duration of the Association shall be perpetual until dissolved as provided by law. If dissolved, the Board of Directors shall, after paying or making provision for the payment of liabilities and obligations of the Association, including all costs and expenses incurred in connection with such dissolution, distribute to and among such one or more organizations as are then exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986 as organizations described in Sections 170(c)(2), 501(c)(3) or 501(c)(6) of the Internal Revenue Code of 1986, all in such amounts or proportions as shall be determined by the Board of Directors of the Association by the affirmative vote of at least a majority of the total number of Directors. Notwithstanding anything apparently or expressly to the contrary hereinabove contained in this Article 4, (a) any assets then held by the Association in trust or upon condition or subject to an executory or special limitation, if the condition or limitation occurs by reason of the dissolution of the Association, shall revert or be returned, transferred, or conveyed in accordance with the terms and provisions of such trust, condition, or limitation; and (b) if the dissolution of the Association is required by the laws of the Commonwealth of Kentucky then in existence to be conducted under court supervision, the dissolution of the Association shall be so conducted, and its assets not described in clause (a) of this sentence shall be transferred or conveyed to such one or more organizations described in the preceding sentence of this Article 4 as the court may determine.

Dissolution shall be accomplished in accordance with Chapter 273 of the Kentucky Revised Statutes or its successor.

ARTICLE 5

The address of the initial registered office and the name of the initial registered agent of the Association is:

Tony Trego
4546 Fountain View Trace
Owensboro, KY 42303

The principal office of the Association will be located at 4546 Fountain View Trace, Owensboro, KY 42303.

ARTICLE 6

The incorporator is K. Timothy Kline, having a mailing address of Stoll Keenon Ogden PLLC, 101 E. Second St., Suite 200, Owensboro, KY 42303.

ARTICLE 7

The number of Directors constituting the initial Board of Directors shall be three. The persons serving as the initial Directors are Tony Trego, having a mailing address of 4546 Fountain View Trace, Owensboro, KY 42303, Michael Neal, having a mailing address of 2044 Littlestream Lane, Owensboro, KY 42303, and Bonnie McCallister, having a mailing address of 503 Hill Avenue, Owensboro, KY 42301. The Initial Directors shall serve in office until they resign, become unable to serve, or are removed from office by the other Directors.

ARTICLE 8

The Bylaws for the Association shall be adopted, and may be amended or repealed, by the Board of Directors. The affairs and business of the Association shall be conducted by the Board of Directors, with the number of directors to be fixed as set forth in the Bylaws adopted by the Association. A director shall be removed as permitted by the Bylaws of the Association. The Board of Directors shall be self-perpetuating, and if one seat on the Board shall become vacant for any reason, the remaining Directors shall select the new Director to take office. In the event that all seats on the Board of Directors shall become vacant at the same time for any reason, the Members of the Association shall elect a new Board, with each Member having an equal vote. If, at any time, there are fewer than three Directors in Office, the only action that the remaining Director(s) shall take, shall be to appoint new Director(s) to fill the vacancy(ies).

ARTICLE 9

The private property of the directors of the Association shall be exempt from liability for any and all debts of the Association.

The Association shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative (other than an action by or on behalf of the Association) by reason of the fact that he is or was a director or officer of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit or proceeding. Further provisions for indemnification of officers and directors may be specified in the Bylaws.

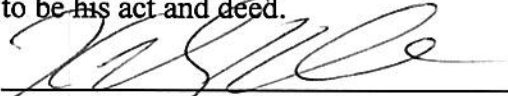
ARTICLE 10

The Association shall not have shareholders but shall have Members. All Members shall be businesses or persons having a direct and substantial interest in the laws, rules and public policies affecting the sale or trade of electronic cigarettes in Kentucky. The Board of Directors shall approve each Member prior to membership in the Association and shall assess membership dues, fees and assessments, from time to time, sufficient to fund the Association's activities. The members shall have no voting rights, except as provided in Article 8 hereof.

ARTICLE 11


No director shall be personally liable to the Association for monetary damages for breach of duties as a director, provided that this Article shall not eliminate or limit the liability of a director: (a) for any transaction in which the director's personal financial interest is in conflict with the financial interests of the Association; (b) for acts or omissions not in good faith or which involve intentional misconduct or are known to the director to be a violation of law; or (c) for any transaction from which the director derived an improper personal benefit.

IN WITNESS WHEREOF, the incorporator subscribes his name and acknowledges this to be his act and deed.



K. Timothy Kline, Incorporator

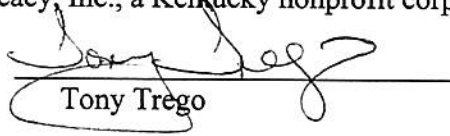
THIS INSTRUMENT PREPARED BY:



K. Timothy Kline
Stoll Keenon Ogden PLLC
101 E. Second St., Suite 200
Owensboro, Kentucky 42303

Consent to Appointment of Registered Agent

The undersigned hereby consents to and accepts its appointment as registered agent for the Kentucky Association for Vaping Advocacy, Inc., a Kentucky nonprofit corporation.


Tony Trego

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