

**AMENDED BY-LAWS**  
**OF**  
**ARIZONA TRUSTEE ASSOCIATION, INC.<sup>1</sup>**

ARTICLE I

NAME

The name of this corporation shall be "ARIZONA TRUSTEE ASSOCIATION, INC." and hereinafter referred to as the "Association."

ARTICLE II

PURPOSES

The primary purposes of the Association are to: (1) foster, promote, and improve the quality of services provided in the trust deed industry; (2) improve the standards, procedures and techniques for rendering such services; (3) improve the status and increase the economic and social benefits to the trust deed industry and those who receive its services; (4) develop a better understanding and cooperative relationship with related industries and professions; and (5) monitor legislation affecting the trust deed industry, promote constructive legislative changes, and represent the Association's common interests.

ARTICLE III

MEMBERSHIP

1. Members of the Association shall be those present members of the ARIZONA TRUSTEE ASSOCIATION, INC. and those duly qualified as hereinafter provided.
2. Membership shall be divided into two classes of members as follows:
  - (A) ACTIVE: Any individual, firm or corporation who is regularly and generally engaged in providing services in the State of Arizona related to the trust deed industry, who subscribe to the purposes of the Association, and is qualified to provide the services if qualification is required by the laws of the State of Arizona, is eligible to apply for membership in the Association as an Active Member.

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<sup>1</sup> The By-Laws were amended by that certain First Amendment adopted by the Association on December 11, 2012. The amendments have been incorporated in these Amended By-Laws.

(B) **AFFILIATE:** Any individual, firm or corporation who subscribes to the purposes of the Association and whose activities are consistent with the purposes of the Association but is not regularly engaged in providing services in the State of Arizona related to the trust deed industry is eligible to apply for membership in the Association as an Affiliate Member. Affiliate membership is intended to improve industry practice and communication on matters of common interest. Affiliate Members shall be entitled to all benefits of active members except voting privileges and serving on the Board of Directors. The President of the Association may appoint Affiliate Members as non-voting members to such committees as the President deems advisable.

3. **APPLICATION FOR MEMBERSHIP:** Any person, firm or corporation eligible for membership in the Association shall submit a written application for membership. A firm or corporation may apply for more than one active membership and, for each active membership, shall designate an individual employee in each application who shall serve as the representative of the firm or corporation for each membership as long as that individual is employed by the firm or corporation. The firm or corporation shall designate another employee to serve as its representative if the previously designated employee is no longer employed by the firm or corporation. Each application shall be referred to the Membership Committee which shall consider such applications, make its recommendation for approval or rejection thereof and send its recommendations to the Board of Directors.

At the next succeeding meeting of the Board of Directors, or at such succeeding meeting in which the matter may be continued, the Board of Directors shall consider the recommendations of the Membership Committee, and take such action on the recommendations as, in its sole discretion, it deems proper.

4. **DUES:** On an annual basis, every member shall renew its application for membership to the Association and send the membership dues at the time of submitting the application. New members may submit an application at any time during the year and dues for the new member shall be at the annual membership rate. If an application for membership is denied, the dues submitted with the application shall be returned to the applicant.

The dues for all classes of membership in the Association shall be on an annual basis and shall be fixed by the Board of Directors. Such annual dues shall be due and payable on or before January 31. A member who fails to pay the annual dues on or before February 1 shall forfeit all rights and privileges of membership in the Association until the dues are paid.

5. **TERMINATION OF MEMBERSHIP:** Any Active Member or Affiliate Member may voluntarily terminate its membership in the Association by filing a written notice of withdrawal with the Secretary.

The Board of Directors may, upon its own motion or upon the written complaint of any member of the Association, at any duly or regularly called meeting, suspend the membership of any member of the Association for any reason which the Board of Directors deems to be adverse to the best interests of the Association.

Upon suspension of a membership, the Secretary shall provide written notice by certified mail to the suspended member setting forth the basis for the suspension. The suspended member or any member of the Board of Directors may request that the Board of Directors consider the status of the membership of the suspended member at a meeting of the Board of Directors held no earlier than two weeks after the notice of suspension. The Secretary shall send written notice to the suspended member of the meeting of the Board of Directors at which the Board intends to consider further action on the membership. At such meeting, the Board of Directors may take such action as it, in its sole discretion, deems warranted, including reinstating the membership, continuing the suspension, or revoking the membership.

Discussion of business fee structure and rates, other than fees or rates established by statute or outside agency for the purposes of restricting competition, is not permitted by this Association. The Board of Directors, upon its own motion or at any duly or regularly called meeting, may suspend the membership of any member known to be participating in this practice.

The reinstatement of a member whose membership has been revoked shall rest in the sole discretion of the Board of Directors, and having thereafter first received the approval of a majority of the Board of Directors, such member shall be entitled to reapply for membership according to and subject to the provisions of Article III herein.

#### ARTICLE IV

##### OFFICERS

1. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, who, other than the Treasurer, shall be elected by the Active Members of the Association at each annual meeting. The term of office for all officers other than the Treasurer shall be for one year and all officers, other than the Treasurer, may serve a maximum term of two consecutive years for each office.

2. Any Active Member or any employee of a corporate or firm member who has been designated by the firm or corporate member as the representative for an active membership of the corporate or firm member may be eligible to serve as President. Any qualified employee of an active firm or corporate member shall be eligible to succeed any other qualified employee of the active firm or corporate member as President provided that the prior employee has not served two prior successive full terms as President. Every employee of an active firm or corporate member shall be eligible for every other office regardless of whether the employee is qualified individually to be an Active Member of the Association.

3. The President shall preside at all meetings of the Board of Directors of the Association. He shall appoint the members to all committees and shall supervise the general business of the Association.

4. The Vice President shall discharge the duties of the President in his absence and during his failure to act from any cause. The Vice President shall chair the Ethics Committee.

5. The Secretary shall keep the minutes of the meetings of the Association and shall notify all members of the time and place of all meetings. He shall deliver promptly to his successor, to an auditing committee, or to such other person or persons as the Board of Directors may direct, all books, vouchers, securities, documents and property of every kind of which he is custodian for the Association, and shall do and perform further acts as may be directed by the Board of Directors.

6. The Treasurer shall collect dues from the Membership Committee; keep proper and accurate accounts of the monies coming into his hands and the disbursement thereof and account to the Association at its annual meeting for the same. He shall deliver promptly to his successor, to an auditing committee or such other person or persons as the Board of Directors may direct, all books, vouchers, securities, documents and property of every kind of which he is custodian for the Association, and shall do and perform further acts as may be directed by the Board of Directors. He shall receive such compensation as is fixed by the Board of Directors.

## ARTICLE V

### BOARD OF DIRECTORS

1. The Board of Directors shall exercise all executive and administrative powers not specifically reserved to officers of the Association, shall direct the activities of the Association and in all other things manage, direct, and carry into effect the affairs and business of the Association. The Board of Directors shall select the person to serve the office of Treasurer who shall serve in such office at the sole discretion of the board.

2. Every employee of an active firm or corporate member shall be eligible to be a member of the Board of Directors regardless of whether the employee is qualified individually to be an Active Member of the Association.

3. The Board of Directors shall meet from time to time throughout the year, on the call of the President, or upon one week's notice in writing, signed by two or more members of the Board, and mailed to each member of the Board.

4. The Board of Directors shall be composed of the President, Vice-President, Secretary, and two at-large members elected from and by the Active Members of the Association. The at-large members may serve maximum terms of two consecutive years. The Board of Directors shall also include the immediate past President and Vice President who shall serve a term of one year from the end of their term, unless either is a member of the Board of Directors due to being elected to a new office or being elected as an at-large member of the Board of Directors (in which event, the term on the Board of Directors shall be based upon the term for the new office or new at-large member).

5. The Board of Directors shall have a minimum of five members and a maximum of seven members. A majority of the Board members shall be necessary to constitute a quorum. In

the event of a tie in the vote of the board, the issue may be tabled and, if tabled, the matter may be reconsidered by the Board at any time thereafter.

6. The directors of the Association shall be elected at annual meetings of the members. However, if any annual meeting is not held or the directors are not elected at any annual meeting, they may be elected at any special members' meeting held for that purpose. Each director, including a director elected to fill a vacancy or elected at a special member's meeting, shall hold office until expiration of the term for which elected.

## ARTICLE VI

### COMMITTEES

The standing committees of this Association, their membership, duties and powers shall be as follows:

1. **MEMBERSHIP COMMITTEE:** The Chairperson of the Membership Committee shall be appointed by the President with the approval of the Board of Directors. The Membership Committee shall send applications for renewal of memberships to all members no later than November 30 of each year. The applications shall be on a form approved by the Board of Directors which shall require each applicant to designate the type of membership sought, to certify that he, she or it is qualified under the By-Laws of the Association for the membership sought, state the dues required for the membership sought and establish a deadline of not more than January 31 to return the completed application with payment of the applicable dues. The Membership Committee shall review each application and submit its recommendations concerning each application to the Board of Directors by February 15 for each member renewing his membership or within thirty days of receiving application for membership from any new member. The Membership Committee shall send all dues it receives to the Treasurer. On an annual basis, the Membership Committee shall publish and distribute a list of the members of the Association to the members and shall pursue such other activities to promote membership in the Association as are warranted.

2. **EDUCATION COMMITTEE:** The Chairperson of the Education Committee shall be appointed by the President with the approval of the Board of Directors. The Committee shall meet from time to time and have such duties and perform such functions as are warranted to promote education of the trust deed industry.

3. **LEGISLATIVE COMMITTEE:** The Chairperson of the Legislative Committee shall be appointed by the President with the approval of the Board of Directors. It shall be the duty of the Committee, as directed by the Board of Directors, to monitor legislation affecting the trust deed industry, promote constructive legislative changes, and represent the Association's common interests. The Legislative Committee shall make an annual report at the Annual Meeting on the actions taken by the Committee during the year.

4. CONVENTION COMMITTEE: The Chairperson of the Convention Committee shall be appointed by the President with the approval of the Board of Directors. The Treasurer shall also be a member of the Committee. The Convention Committee shall plan the Annual Convention of the Association with the advice and consent of the Board of Directors. The Convention Committee shall recommend a site for the Annual Convention no later than February 15 of each year.

5. NOMINATING COMMITTEE: The Nominating Committee members shall be appointed by the President with the approval of the Board of Directors and shall be composed of three (3) members of the Association, no two of whom shall work for the same firm or corporation, and at least one of whom shall be the immediately preceding past President of the Association. If the immediately preceding past President intends to run for office or is no longer an active member of the Association, the President serving prior thereto who does not intend to run for office and is an active member of the Association shall serve as the chairperson of the Nominating Committee. The past President shall serve as the chairperson of the Nominating Committee. The Nominating Committee shall nominate one or more individuals to run for the office of President, Vice President and one or more individuals for each at large member to be elected to the Board of Directors to be elected at such meeting. Three or more active members in good standing, by writing to the chairperson of the Nominating Committee at least thirty (30) days prior to the Annual Meeting, may nominate other candidates for office or offices. The names of all members nominated by the Nominating Committee and proposed members as prescribed above shall be announced at least twenty (20) days prior to the Annual Meeting, and elections shall be held at the Annual Meeting. The election shall be decided on ballots cast by Active Members attending the Annual Meeting, with the exception that an absentee ballot may be obtained from the chairperson of the Nominating Committee and the vote cast provided that the absentee ballot is in the hands of the chairperson of the Nominating Committee at least five days prior to the Annual Meeting. All absentee ballots shall be signed by the Active Member casting the vote. All active members casting their votes at the annual meeting shall sign to receive their ballots but shall not be required to sign the ballot.

6. ETHICS COMMITTEE: The Ethics Committee shall be composed of not less than three (3) nor more than five (5) members. The Vice President shall chair the Ethics Committee, with the other members appointed by the President with the approval of the Board of Directors. The Ethics Committee shall research, clarify and codify the Canon of Ethics for the Association. The Committee shall meet from time to time as necessary to review and recommend any changes to the Code of Ethics.

7. OTHER COMMITTEES: There shall be such other committees as may be from time to time established or appointed by the President or by the Board of Directors.

## ARTICLE VII

### MEMBERS MEETINGS

1. ANNUAL MEETINGS: An annual meeting of the Members shall be held in December of each year, at a time of day and place as determined by the Board of Directors or, in the absence of action by the Board of Directors, as set forth in the notice given pursuant to paragraph 3 below. If an annual meeting is for any reason not held on the date determined as set forth above, a deferred annual meeting may be called and held in lieu thereof, and the same proceedings (including the election of Directors) may be conducted at that meeting.

2. SPECIAL MEETINGS: Special meetings of the Members may be held whenever and wherever called for by the President, by the Board of Directors, or by a written request of ten percent (10%) of the Members.

3. NOTICES: Not less than ten (10) nor more than fifty (50) days (inclusive of the date of meeting) before the date of any meeting of the Members and at the direction of the person or persons calling the meeting, the Secretary of the Association will cause a written notice setting forth the time, place and general purposes of the meeting to be deposited in the mail, with first class postage prepaid, addressed to each Member of record at his last address as it then, or on the applicable record date, appears on the Association's records. In the Secretary's discretion, notices may be sent to the members by facsimile transmission or by electronic mail.

4. PROXIES: Any Member entitled to vote may vote by proxy at any meeting of the Members (and any adjournment thereof) which is specified in such proxy, provided that his proxy is executed in writing by him. The proxy shall be valid only for the matter or matters considered at the meeting of the Members (or considered at any adjournment thereof). The burden of proving the validity of any proxy shall rest with the person seeking to exercise the same.

5. VOTING: Each Active Member in person, by absentee ballot, or represented at any meeting by a proxy given pursuant to paragraph 4 above, shall be entitled to one vote except that no proxy voting shall be allowed for election of officers or members of the Board of Directors, and any question submitted to the membership shall be resolved by a majority of the votes cast thereon provided that such votes constitute a majority of the quorum of that particular meeting, whether or not such quorum is present. The voting will be by ballot on any question as to which a ballot vote is demanded, prior to the time the voting begins, by any person entitled to vote on such question, otherwise, a voice vote will suffice. No ballot or change of vote will be accepted after the polls have been declared closed following the ending of the announced time for voting.

6. QUORUM: At any meeting of the members, the presence in person or by proxy of twenty-five percent of the members entitled to vote will constitute a quorum of the members for all purposes. In the absence of a quorum, any meeting may be adjourned from time to time, but not exceeding thirty (30) days in the aggregate, by its chairman until a quorum is formed with notice by announcement at the meeting, or with notice pursuant to paragraph 3 above, of the new date fixed for the adjourned meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noted. The Members present at a duly organized meeting may continue to transact

business until adjournment, notwithstanding the withdrawal or temporary absence of Members that leave less than a quorum.

7. ORGANIZATION AND CONDUCT OF MEETINGS: Each meeting of the Members will be called to order and thereafter chaired by the President or if the President is absent or so requests, then by such other member as may be appointed by the Board of Directors, if the meeting is being held at the request of the President or the Board of Directors, or by majority vote of the members, if the meeting is being held at the request of the members. The Association's Secretary will act as Secretary of the meeting. After calling a meeting to order, the chair thereof may require the registration of all Members intending to vote in person, and the filing of all proxies with the election inspector or inspectors, if one or more have been appointed (or, if not, with the Secretary of the meeting).

After the announced time for such filing of proxies has ended, no further proxies or changes, substitutions or revocations of proxies will be accepted. If Directors are to be elected, a tabulation of the proxies so filed will, if any person entitled to vote in such election so requests, be announced at the meeting (or adjournment thereof) prior to the closing of the election polls. Absent a showing of bad faith on his part, the chair of a meeting will have absolute authority to fix the period of time allowed for the registration of Members and the filing of proxies, to determine the order of business to be conducted at such meeting, and to establish reasonable rules for expediting the business of the meeting.

8. MEMBER APPROVAL OR RATIFICATION: The Board of Directors may submit any contract or act for approval or ratification of the Members either at a duly constituted meeting of the Members, (the notice of which either includes mention of the proposed submittal or is waived pursuant to paragraph 3 above) or by unanimous written consent to corporate action without a meeting pursuant to paragraph 10 below. If any contract or act so submitted is approved or ratified by a majority of the votes cast thereon at such meeting or by such unanimous written consent, the same will be valid and binding upon the Association as the act of its Members pursuant to paragraph 10 below.

9. INFORMALITIES AND IRREGULARITIES: All informalities or irregularities in any call or notice of a meeting of the Members or in the areas of credentials, proxies, quorums, voting, and similar matters, will be deemed waived if no objection is made at the meeting.

10. ACTION BY MEMBERS WITHOUT A MEETING: Any action required or permitted to be taken at a meeting of the Members or the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of the Members of the Association.

#### ARTICLE VIII

#### BOARD OF DIRECTORS MEETINGS



1. **REGULAR MEETINGS:** A regular annual meeting of the Board of Directors shall be held immediately after and at the same place as each annual meeting of the Members. All other meetings of the Board of Directors may be held at such intervals, at such places, and at such times as the members of the Board of Directors may select, provided that all such meetings shall take place within the State of Arizona.

2. **SPECIAL MEETINGS:** Special meetings of the Board of Directors may be held whenever and wherever called for by the President or the number of Directors which would be required to constitute a quorum.

3. **NOTICES:** No notice need be given of regular meetings of the Board of Directors provided that the time and place of the meeting was announced at the last regular meeting. Written notice of the time and place of any special meeting will be given to each member of the board at his latest address appearing on the Association's records. Notice to any Director of any such special meeting will be deemed given sufficiently in advance when, if given by mail, the same is deposited in the mail, with first class postage prepaid at least four (4) days before the meeting date, or if personally delivered, given by facsimile transmission or by electronic mail sent at least forty-eight (48) hours prior to the convening of the meeting. Attendance of a Director at any meeting will automatically evidence his waiver of call and notice of such meeting unless he is attending the meeting for the express purpose of objecting to the transaction of business because the meeting has not been properly called or noticed. No call or notice of a meeting of Directors will be necessary if each of them waives the same in writing or by attendance. Any meeting, once properly called and noticed (or as to which call and notice have been waived) and at which a quorum is formed, may be adjourned to another time and place by a majority of those in attendance.

4. **QUORUM:** A quorum for the transaction of business at any meeting or adjourned meeting of the Board of Directors will consist of a majority of those then in office.

5. **VOTING:** Any question submitted to any meeting or adjourned meeting of the Board of Directors will be resolved by a majority of the votes cast thereon; in case of a tie in the votes, the President of the meeting will have the right to cast a second or deciding vote.

6. **PRESUMPTION OF ASSENT:** A director of the Association who is present at a meeting of the Board of Directors, or of any committee, at which action is taken on any corporate matter will be presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting or unless he files his written dissent to such action with the person acting as Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent will not be available to a director who voted in favor of the action.

7. **ACTION BY DIRECTORS WITHOUT A MEETING.** Any action required or permitted to be taken at a meeting of the Board of Directors or of a committee of the Association may be taken without a meeting if all directors or committee members, as the case may be, consent thereto in writing. Such consent shall have the same effect as a unanimous vote of the directors or committee members of the Association.

8. MEETINGS BY CONFERENCE TELEPHONE: Any member of the Board of Directors or of a committee of the Association may participate in any meeting thereof by means of a conference telephone or similar communication equipment whereby all members participating in such meeting can hear one another. Such participation shall constitute attendance in person, unless otherwise stated as provided in paragraph 3 above.

ARTICLE IX

LIABILITY

Liability of the Association shall be limited to the assets of the Association and any liability insurance it may have on behalf of its members. No individual member shall be liable for any expenses of the Association other than the annual dues established by the Board of Directors.

ARTICLE X

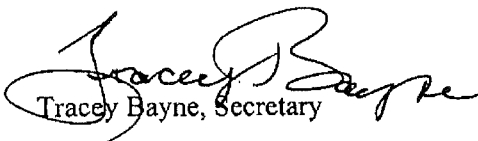
AMENDMENTS

These By-Laws may be altered, amended, supplemented, repealed, or temporarily or permanently suspended, in whole or in part, or new By-Laws may be adopted, at any duly constituted meeting of the Members (the notice of which meeting shall include the proposed action relative to the By-laws).

Effective the 11<sup>th</sup> of December, 2012.

By   
Richard E. Chambliss, President

ATTEST:

  
Tracey Bayne, Secretary