

**BYLAWS**  
**ARIZONA PRIVATE LENDER ASSOCIATION**  
An Arizona Non-Profit Corporation

**ARTICLE I – GENERAL**

**Section 1. NAME**

This organization is incorporated under the laws of the State of Arizona, and shall be known as ARIZONA PRIVATE LENDER ASSOCIATION.

**Section 2. PRINCIPAL OFFICE OF THE CORPORATION**

The principal office for the transaction of the activities and affairs of this Corporation is located at 2425 E. Camelback Road, Suite 600, Phoenix, Arizona 85016. The Board of Directors may change the location of the principal office at any time. Any such change of location must be noted by the secretary on these Bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

**Section 3. PURPOSES**

These Bylaws are adopted by the corporation to govern and facilitate its business as a nonprofit corporation organized as an Arizona nonprofit corporation under chapters 24 through 40 of title 10 of the Arizona Revised Statutes. The purpose of this Corporation is to engage in any lawful activity for which a corporation may be organized under such law. In the context of these general purposes, the Corporation shall be dedicated to represent, promote & foster the business of bringing private capital to Arizona for real estate projects. Further, the Corporation shall endeavor to educate its membership and the community regarding private money lending.

**Section 4. LIMITATIONS OF METHOD**

The ARIZONA PRIVATE LENDER ASSOCIATION shall be a nonprofit corporation in compliance with Arizona law.

**Section 5. FISCAL YEAR**

The Corporation shall be on a Calendar Year.

**Section 6. PARLIAMENTARY AUTHORITY**

The Proceedings of the Corporation meetings shall be governed by, and conducted according to, the latest edition of Robert's Rules of Order, Revised.

**Section 7. NOTICES**

Unless specified otherwise in these Bylaws, notices shall be given to either the address or email address specified in the membership application filed by the person to whom notice is to be given. Updates to addresses and e-mail addresses must be given to the Secretary of the corporation to be valid; if given by e-mail, a reply e-mail from the Secretary, acknowledging receipt of the updated information, must be received by the member in order for the updated address and/or e-mail address to be used for notices from that date forward.

## **ARTICLE II - MEMBERSHIP**

### **Section 1. ELIGIBILITY**

**MEMBERS: (REGULAR MEMBERSHIP)** A Member shall be any owner of, or employee of, a reputable entity whose primary business is the origination of private money loans secured by real estate located in Arizona and who has a license as (1) an Arizona Mortgage Broker, (2) an Arizona Mortgage Banker, (3) an Arizona Commercial Mortgage Banker, or (4) who is exempt by statute (e.g., life insurance company). For this purpose, at least 75% of the entity's gross income must be derived from loans funded by private money. Additional standards for membership shall be determined by the Board working solely with the Chairperson of the Membership Committee, consistent with the Corporation's goal of having a good reputation in the community, including establishing a Code of Conduct. The Board shall not be required to use specific criteria in determining admission; instead, the Board shall take into consideration any and all factors it believes to be relevant in determining whether an applicant should be admitted. After the initial admission of Members, the Membership Committee shall have the power to make additional recommendations to the Board and the Board shall have the final vote on what standards should be used, consistent with the Corporation's goal of having a good reputation in the community.

**AFFILIATES: (AFFILIATE MEMBERSHIP)** Any reputable individual who regular works with private money lenders and who has an interest in the above-recited objectives shall be eligible to apply for membership as an Affiliate; however, there shall be no obligation for the Board to admit any person applying as an Affiliate. The number of Affiliates shall be limited as determined by the Board of Directors. Examples of Affiliates are attorneys, accountants, bankers, and title companies who work with individuals in the private money lending business in Arizona. The Affiliates share all the privileges of Members except that of voting.

### **Section 2. APPLICATION**

Applications for membership shall be in writing on forms provided for that purpose, and signed by the applicant. As part of the application, the prospective applicant must read and agree, by signature: (1) to adhere to a Code of Conduct to be established by the Board of Directors governing the conduct of Members and Affiliates and (2) to agree to resolve all disputes only through binding arbitration. Admission of Members and Affiliates shall be by the Board of Directors, at any meeting thereof, including by telephone meeting. Any applicant so admitted shall become an active Member or Affiliate upon payment of the dues as provided in Article II, Section 3.

### **Section 3. DUES**

Membership dues shall be set by the Board of Directors as a matter of policy, and shall be payable in advance. Payments overdue by more than ninety (90) days shall cause a Member or Affiliate to be NOT in good standing and, at the option of the Board of Directors, the Member will be ineligible to vote and in the case of a Member or Affiliate Member, to exercise any of the benefits of membership.

### **Section 4. VOTING**

Each Member in good standing, according to dues policy set by the Board of Directors, shall be entitled to cast one vote; however, if there are two or Members from one company, only one vote may be cast collectively. If there are two or more Members from one company, the CEO or President of the company must specify, in writing, which Member shall have the power to cast the vote. In the absence of written direction regarding which Member shall have the power to cast the vote, the oldest Member from that company shall be deemed the Member who has the power to cast the vote. A Member may nominate, in writing, as a proxy, any individual whom the Member desires to exercise his or her voting privilege, and shall have the right to change its representative upon written notice to the Board of Directors.

Affiliates are not eligible to vote.

## Section 5. MEMBER REQUIREMENTS; SUSPENSION OR TERMINATION OF MEMBERSHIP

As to any and all membership classes of this Corporation, it shall be a condition of joining and remaining a member of this Corporation that each member shall comply with the Bylaws, any rules established by the Board of Directors, and the Code of Conduct established by the Board of Directors. The Board of Directors, by a majority vote, may deny membership to any applicant who fails to meet these requirements.

Any Member or Affiliate may resign from the Corporation upon written notice.

The Board of Directors may expel any Member or Affiliate by a majority vote for nonpayment of dues after ninety (90) days from date due.

The Board of Directors may censure, suspend or expel any Member by a majority vote based on the good faith determination by the Board of Directors that the Member has failed, in a material or serious degree, to observe the Code of Conduct of the Corporation or has engaged in conduct prejudicial to the Corporation's purposes and interests, whether such conduct is before or after becoming a Member. Grounds for censure, suspension and expulsion shall include, but not be limited to, the provisions of Article VI. A Member whose membership is suspended shall not be a Member during the period of suspension. Expulsion shall terminate a membership immediately upon the expulsion becoming effective.

The Board of Directors may censure, suspend or expel any Affiliate by a majority vote at any time, with or without cause. Such decision shall be final and non-reviewable. Any Affiliate suspended or expelled from the Corporation shall forfeit any dues or assessments already paid.

## Section 6. Procedure for Censure, Suspension or for Termination and Expulsion of a Member

If grounds appear to exist for censure, expulsion or suspension of a Member, the procedure set forth below shall be followed:

(A) A notice shall be sent by mail to the most recent address of the Member as shown on the Member's application, or as otherwise updated as provided in Article I, Section 7, setting forth the proposed censure, suspension or termination or expulsion and the reason(s) therefor. Such notice shall be sent at least ten (10) days before the proposed effective date of the censure, suspension or termination or expulsion.

(B) The Member subject to the proposed censure, suspension or termination or expulsion shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not fewer than ten (10) days before the effective date of the proposed censure, suspension or termination or expulsion. The hearing will be held, or the written statement considered, by the Board of Directors. The notice to the Member of the proposed suspension or expulsion shall state the date, time and place of the hearing on its proposed censure, suspension or expulsion.

(C) Within ten (10) days following the hearing, the Board of Directors shall decide whether or not the Member should in fact be censured, suspended or expelled. The decision of the Board of Directors shall, subject to subsection (E) below, be final, and written notice of the decision shall be provided to the Member within five (5) days after such decision.

(D) Any Member suspended or expelled from the Corporation shall forfeit any dues or assessments already paid.

(E) Any action challenging a censure, suspension or an expulsion of membership, including any claim alleging defective notice, must be commenced within six (6) months after the date of the suspension or expulsion and may only be adjudicated by binding arbitration. In the event such an action is successful, the arbitrator may order any relief it finds equitable under the circumstances, including reinstatement. However, no vote of the Members or of the Board of Directors may be set aside solely because a Member

was, at the time of the vote, wrongfully excluded by virtue of the challenged suspension or expulsion, unless the arbitrator finds further that the wrongful censure, suspension or expulsion was in bad faith and for the purpose, and with the effect, of wrongfully excluding the Member from the vote or from the meeting at which the vote took place, so as to affect the outcome of the vote.

### **ARTICLE III - MEMBERSHIP MEETINGS**

#### **Section 1. ANNUAL MEMBERSHIP MEETING**

The Annual Meeting of the Members and Affiliates shall be held in the month of January at a time and place selected by the Board of Directors, or if not so designated, at the principal office of the Corporation.

#### **Section 2. OTHER MEETINGS**

Regular meetings of the Members and Affiliates shall be held quarterly in the months of April, July and October; provided, that these designated months may be changed at any time by the Board of Directors, without the consent of the Members or Affiliates. Special meetings, may be called by the President, Chairman of the Board, or by the Board of Directors at any time, or by twenty-five (25) or more Members of the Corporation entitled to vote.

#### **Section 3. NOTICE OF MEETINGS**

Notices of all membership meetings, annual, regular, or special, shall be given either in writing or by e-mail, to all Members and Affiliates. Such notices shall be sent to the address or email address provided on the application of each Member and Affiliates (or to the updated information provided pursuant to Article I, Section 7), not less than thirty (30) days before such meeting. Notices shall specify the place, the day, and the hour of the meeting, and in the case of a special meeting, the general nature of the business to be transacted.

#### **Section 4. QUORUM**

One-third of the Members entitled to vote there at, and present in person, shall be requisite and shall constitute a quorum at all meetings of the Members and Affiliates for the transaction of business except as otherwise provided by law, by the Articles of Incorporation, or by the Bylaws. No voting shall be by proxy.

### **ARTICLE IV - BOARD OF DIRECTORS**

#### **Section 1. POWERS**

Subject to the limitations of the Articles of Incorporation, the Bylaws, and of the laws of the State of Arizona as to actions authorized or approved by Members, all corporate power shall be exercised by, and under authority of, and the business and affairs of the Corporation shall be controlled by, a Board of Directors. The Board of Directors shall have the power to hire compensated persons for any position, including officers.

#### **Section 2. NUMBER**

The authorized number of Board of Directors shall be no more than nine (9) Members.

#### **Section 3. THE BOARD OF DIRECTORS' MEETINGS**

Board of Directors shall meet at least once, annually. In addition, the Board of Directors may have board meetings to be held through the use of conference telephones or similar communication equipment, so

long as all participating Directors can hear one another. In addition, the Board of Directors may conduct business by e-mail.

The Annual Meeting of the Board of Directors shall be at a time and place selected by the Board of Directors.

#### Section 4. PLACE OF MEETING

Meetings of the Board of Directors shall be held at a place designated from time to time by the Board of Directors, or if not so designated, at the principal office of the Corporation.

#### Section 5. SPECIAL MEETINGS

Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman of the Board or the President, or if the Chairman of the Board or the President is absent, or unable, or refuses to act, by the Vice-President, or by any four (4) Directors. Written notice of the time and place of such special meeting, stating the nature of the business to be transacted, shall be mailed, and also sent by email, to each Director at least fifteen (15) business days prior to the time of the meeting.

#### Section 6. QUORUM

A quorum shall consist of the lesser of (1) five (5) Directors or (2) a majority of the number of Directors on the Board of Directors, present at a legally constituted meeting. The presiding officer shall have the right to vote to resolve any potential tie votes.

#### Section 7. WAIVER OF NOTICE

Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consent and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

#### Section 8. ACTION WITHOUT A MEETING

Any action that the Board of Directors is required or permitted to take may be taken without a meeting if all Board members consent in writing to the action. Such consent may also be given by email. Such action by written consent or email shall have the same force and effect as any other validly approved Board action. All such consents shall be filed with the minutes of the proceedings of the board.

#### Section 9. NOMINATION

Any Member or Affiliate may nominate another Member or Affiliate for the Board of Directors. Nominations must be received no later than January 10 of the year in which the vote will be held. A ballot listing the nominees in alphabetical order shall be sent by either regular mail or email to each Member in good standing, at least 2 days prior to the Annual Membership Meeting in January of each year.

#### Section 10. ELECTION OF DIRECTORS

The Election of Directors shall be held at the Annual Membership Meeting in January of each year.

#### Section 11. CHAIRMAN OF THE BOARD

The individual receiving the higher number of votes in the election shall be the Chairman of the Board. If such individual does not wish to be the Chairman of the Board, then the individual receiving the next

higher numbers of votes shall be the Chairman of the Board, and so forth until a Chairman of the Board is selected.

#### Section 12. TERMS AND ROTATION

The Initial Board of Directors shall serve until their successors are elected, in January of 2009. Thereafter, Directors shall be elected to two (2) year terms. A Director whose term is expiring will be eligible for reelection.

#### Section 13. VACANCIES

A vacancy shall be deemed to exist in case of death, resignation, or removal of any Director. Vacancies on the Board of Directors occurring more than ninety (90) days prior to the next scheduled election of the Board of Directors may be filled as they occur by a majority vote of the remaining Board of Directors. The term of such appointees shall be for the unexpired portion of the term of the vacated seat.

#### Section 14. RESIGNATION OF DIRECTORS

Except as provided below, any Director may resign by giving written notice to the Chairman of the Board, if any, or to the President or the Secretary of the Board of Directors. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective.

#### Section 15. REMOVAL OF DIRECTOR

The Board of Directors may, by a majority vote, may remove a Director in any of the following cases: (a) any ground specified in Article VI, (b) failure to accept the office, either in writing or by attending a meeting of the Board of Directors, within thirty (30) days following notice of their election to the Board, or (c) if the Director fails to participate in any of the first three (3) consecutive meetings of the Board.

The entire Board of Directors, or any individual Director, may be removed from office by a majority vote of the Members of the Corporation.

### **ARTICLE V - OFFICERS**

#### Section 1. ELECTION OF OFFICERS

The Board of Directors, following the Annual Membership Meeting, shall elect, from among the Members, a President, Vice-President, Secretary, and Treasurer. All Officers' terms in office shall be one (1) year, commencing on the date of election. Only Members in good standing shall be eligible to serve as officers of the Corporation.

#### Section 2. REMOVAL OF OFFICERS

Without prejudice to the rights of any Officer under an employment contract, the Board of Directors may remove any officer with or without cause. Removal for cause may be for any of the grounds specified in Article VI. An Officer who was not chosen by the Board of Directors may be removed by any other Officer on whom the Board of Directors confers the power of removal.

#### Section 3. RESIGNATION OF OFFICERS

Any Officer may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise

specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the Officer is a party.

#### Section 4. CHAIRMAN OF THE BOARD

If a chairman of the Board of Directors is elected, he or she shall preside at Board meetings and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time.

#### Section 5. PRESIDENT

The President, subject to the control of the Board of Directors, shall have general supervision, direction, and control of the affairs of the Corporation. The President shall preside at all meetings of the Corporation, shall name all committee chairs and members of each committee, and shall appoint all liaisons to other industry organizations. The President shall have the general powers and duties of management usually vested in the President of a corporation, and shall have such other powers and duties of management usually vested in the President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or Bylaws.

#### Section 6. VICE PRESIDENT

The Vice-President shall perform such duties as assigned by the President, and, in the absence or disability of the President, perform the duties and exercise the powers of the President, and perform such other duties as the Board of Directors may prescribe.

#### Section 7. SECRETARY

The Secretary shall keep, or cause to be kept, a book of minutes, at the principal office, or other such place as the Board of Directors may order, of all meetings of the Members and Directors, with time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the name of those present at directors meetings, the number of Members present at Members meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office, a register of membership, showing the names of the Members and Affiliates and their addresses, date of membership issued, and date of cancellation of Members cancelled. The Secretary shall give or cause to be given, notice of all meetings of the Members and of the Board of Directors as required by the Bylaws. The Secretary shall have other powers, and perform such other duties as may be prescribed by the Board of Directors or the Bylaws. The Secretary shall perform other such duties assigned by the President, and, in the absence or disability of the President and Vice President, perform the duties and exercise the powers of the President, and shall perform other duties as the Board of Directors may prescribe.

#### Section 8. TREASURER

The Treasurer shall be responsible for the safeguarding of all funds received by the Corporation, and for their proper disbursement. Such funds shall be kept on deposit in financial institutions approved by the Board of Directors, with all withdrawals subject to signatures by two (2) officers of the Corporation or as otherwise defined by written policy established by the vote of the Board and recorded in the minutes of the Corporation. The Treasurer shall keep, or cause to be kept, such records of all income and disbursements as may be necessary for financial reports, statements, and audits. The Treasurer shall make a full report on the financial condition of the Corporation, quarterly to the Board of Directors, and other reports as may be required, in the form prescribed by the Board of Directors. The Treasurer shall perform other such duties as assigned by the President, and, in the absence or disability of the President, Vice-President and Secretary, perform the duties and exercise the powers of the President, and perform other duties as the Board of Directors may prescribe.

## **ARTICLE VI – REMOVAL OF MEMBERS, AFFILIATES, DIRECTORS AND OFFICERS**

The following shall be grounds for removal of any Member, Affiliate, Director or Officer: (a) if the person is declared of unsound mind by an order of the Court, (b) if the person is convicted of any felony, (c) if the person is charged with a crime allegedly committed in conjunction with his or her conduct as a private money lender, (d) if the person is charged with a crime outside of his or her conduct as a private money lender but involving fraud, the mishandling of funds or physical violence against another person, (e) if the person in connection with a professional license is denied a professional license, or has the license revoked or is otherwise reprimanded or censured in connection with a professional license.

## **ARTICLE VII - EXECUTIVE COMMITTEE**

At the option of the Board of Directors, an Executive Committee may be appointed. If an Executive Committee is so appointed, the following provisions shall govern the Executive Committee.

### **Section 1. DUTIES**

The Executive Committee shall consider and make recommendations to the Board of Directors on any matter of policy, a Budget for the coming year.

### **Section 2. EXECUTIVE COMMITTEE MEMBERSHIP**

The Executive committee shall consist of the President, Vice President, Secretary, Treasurer and the standing committee chairs.

### **Section 3. MEETINGS AND ACTION OF COMMITTEES**

Meetings and action of committees of the Board of Directors shall be governed by, held and taken under the provisions of these Bylaws concerning meetings and other board actions, except that the time for general meetings of such committees may be set either by board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board of Directors may adopt rules for the governance of any committee as long as the rules are consistent with these Bylaws. If the Board of Directors has not adopted rules, the committee may do so.

### **Section 4. QUORUM**

A quorum shall consist of the four (4) members of the Executive Committee.

## **ARTICLE VIII - COMMITTEES**

### **Section 1. REGULAR COMMITTEES**

The President shall have the right to assemble a Regular Committee for specific purposes, and to appoint the chair of such committee. Membership on a Regular Committee is by appointment by the President, and at least half (50%) of the committee members must be Members. The term of a Regular Committee is for the lesser of one (1) year, or until the tasks of the committee have been completed and the committee dissolved.

### **Section 2. STANDING COMMITTEES**

Certain committees are designated as Standing Committees. The following shall be the initial Standing Committees: (1) State Regulatory Agencies, (2) Legislative, (3) Membership and (4) Private Placement Mortgage Pools. In addition, there may also be an Education Committee any other Standing Committee as shall be named from time to time by the Board of Directors.



Membership on a Standing Committee is by appointment by the President, and at least half (50%) of the committee members must be Members. These committee appointments may be revised by the President elected in the subsequent term. Committee Reports shall not be released for publication nor shall committees purport to speak or act for this Corporation except by specific authorization by the Board of Directors.

**STATE REGULATORY AGENCIES:** It shall be the duty of the State Regulatory Agencies to work with the Arizona Corporation Commission and the Arizona Department of Financial Institutions.

**LEGISLATIVE:** It shall be the duty of the Legislative Committee to study and report to the Board of Directors and to the Members on legislative matters which are deemed by it to be of special interest to this Corporation and to submit its positions on proposed legislation to the Board of Directors for action.

**MEMBERSHIP:** It shall be the duty of the Membership Committee to review membership applications and make recommendations to the Board. The Committee shall verify that the applicant has qualified for membership. The Membership Committee, in conjunction with the Secretary of the Corporation, shall maintain or cause to be maintained a current list containing the names and addresses of all Members and Affiliates.

**PRIVATE PLACEMENT MORTGAGE POOLS:** It shall be the duty of the Private Placement Mortgage Pools Committee to facilitate the education and sharing of information among Members who manage mortgage pools whose funds are raised by means of a private placement offering.

**EDUCATION:** It shall be the duty of the Education Committee to present programs relevant and of interest to the membership.

## **ARTICLE IX - CORPORATE RECORDS AND REPORTS - INSPECTION**

### **Section 1. RECORDS**

The Corporation shall maintain adequate and correct accounts, books, and records of its affairs and properties. All such accounts, books, and records shall be kept at its principal place of business in the State of Arizona, as fixed by the Board of Directors from time to time.

### **Section 2. INSPECTION OF BOOKS AND RECORDS**

The Membership register in alphabetical order, the books of account, and minutes of meetings of the Members and/or Affiliates, and of the Board of Directors, and of Committees appointed by the President, shall be open to inspection upon written demand of any five (5) Members for a purpose reasonably related to the affairs of the Corporation. The written Demand must be given to either the President or the Secretary at least fourteen (14) business days, prior to inspection. Every Director shall have the absolute right, with five (5) working days written notice, to inspect all books, records, documents of every kind, and the physical property of the Corporation.

### **Section 3. CERTIFICATION AND INSPECTION OF BYLAWS**

The original or a copy of the Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the Members of the Corporation, at all reasonable times during office hours.

#### Section 4. CHECKS, DRAFTS, ETC.

All checks, drafts, or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of or payable by the Corporation, shall be signed or endorsed by such person or persons in such manner as shall be determined from time to time by the Board of Directors.

#### Section 5. CONTRACTS, ETC. HOW EXECUTED

The Board of Directors, except as in the Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances, and must appear in the minutes of a legally constituted meeting of the Board of Directors. Unless so authorized by the Board of Directors, no Officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or to any amount.

#### Section 6. ANNUAL REPORT

The Directors shall cause to be sent to the Members an Annual Report of the activities of the Corporation.

#### Section 7. ANNUAL FINANCIAL AUDIT

The Directors shall have the discretion, but shall not be required, to direct that there be prepared an annual financial audit by a qualified outside party.

### ARTICLE X - CORPORATE SEAL

The corporation shall not be required to have a Corporate Seal. The Board of Directors, may at any time, choose to have a Corporate Seal.

### ARTICLE XI - AMENDMENTS TO THE BYLAWS

These Bylaws may be amended by a majority of the Board of Directors. The Bylaws may not be amended by the Members. Notice of any proposed changes must be given in the call of the meeting, or with the ballot. A copy of the proposed amendment shall be sent by either regular mail or email, to each Director, at least five (5) days before such meeting or vote.

### ARTICLE XII - DIRECTORS LIABILITY

Directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation. A director or other agent of the Corporation shall be entitled to indemnification to the greatest extent of and under the circumstances, procedures and limitations of Arizona law, as the same may be amended from time to time. The Corporation shall maintain Directors and Officers insurance for the protection of the Directors and Officers.

**Statement of Indemnification.** Every Director, Officer, staff member, Committee Member, Member and Affiliate of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including, but not limited to, legal counsel fees reasonably incurred or imposed upon such persons in connection with any proceeding. This shall apply to any persons or entities that may be made a party, or in which they may become involved, by reason of service to the Corporation. Any settlement shall be made whether or not such person or entity is a director, officer, or staff member at the time such expenses are incurred, except in such cases wherein the person is adjudicated guilty, by a competent court of law, of willful misfeasance or malfeasance in the performance of the duties of the office. In the event of a settlement, the indemnification shall apply whether or not the board approves such settlement

and reimbursement as being in the best interests of the Corporation. The foregoing right of the indemnification herein shall be in addition to and not exclusive of all other rights to which such directors, officers, staff members, Members and Affiliates may be entitled.

### **ARTICLE XIII – TERMINATION OF CORPORATION**

#### **Section 1. LIQUIDATION OF THE CORPORATION**

The Corporation may be dissolved by a majority vote of the Board of Directors at any time. The Directors shall specify the plan of liquidation for the Corporation. In no event may the Members dissolve the Corporation.

#### **Section 2. DISBURSEMENT OF FUNDS**

Upon the termination of the Corporation, and by the approval of the Board, and remaining funds after all expensed are paid or otherwise provided for, may be donated to a nationally recognized organization that supports education for the mortgage industry. No funds shall be distributed directly to any private individual except bona fide expense reimbursement as provided for in these Bylaws.

**Consent Action of the Board of Directors  
of the Arizona Private Lender Association,  
an Arizona nonprofit corporation**

Pursuant to Arizona Revised Statutes Section 10-821, the Board of Directors of the Arizona Private Lender Association, an Arizona nonprofit corporation, hereby consents, without a meeting, as follows.

WHEREAS, the Board of Directors desires to change the standard for Regular Membership as provided in Article II. Membership, Section 1. Eligibility.

WHEREAS, the Board of Directors desires to correct an error in Article III. Membership Meetings, Section 4, by deleting a sentence that prohibits voting by proxy, which is otherwise specifically authorized in Article II. Membership, Section 4. Voting.

Now therefore, the Directors of the Arizona Private Lender Association agree as follows:

1. The Directors hereby delete the following sentence contained in Article II. Membership, Section 1. Eligibility, Members (Regular Membership): "For this purpose, at least 75% of the entity's gross income must be derived from loans funded by private money." and substitutes the following in its place:

"For this purpose, the Member must be engaged in private money lending secured by real estate, as part of the Member's business".

2. The Directors hereby delete the following sentence in Article III., Membership Meetings, Section 4, Quorum: "No voting shall be by proxy."

3. This Consent Action shall be effective as of the date this Consent is signed by the last Director to sign.

Signed this date of December 29<sup>th</sup>, 2008.

Director of the Arizona Private Lender Association:

  
\_\_\_\_\_  
(signature)

Gregory M. Sir  
\_\_\_\_\_  
(print name)

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"For this purpose, the Member must be engaged in private money lending secured by real estate, as part of the Member's business".

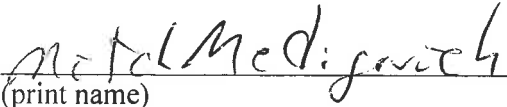
2. The Directors hereby delete the following sentence in Article III., Membership Meetings, Section 4, Quorum: "No voting shall be by proxy."

3. This Consent Action shall be effective as of the date this Consent is signed by the last Director to sign.

Signed this date of December 31, 2008.

Director of the Arizona Private Lender Association:

  
\_\_\_\_\_  
(signature)

  
\_\_\_\_\_  
(print name)

**Consent Action of the Board of Directors  
of the Arizona Private Lender Association,  
an Arizona nonprofit corporation**

Pursuant to Arizona Revised Statutes Section 10-821, the Board of Directors of the Arizona Private Lender Association, an Arizona nonprofit corporation, hereby consents, without a meeting, as follows.

WHEREAS, the Board of Directors desires to change the standard for Regular Membership as provided in Article II. Membership, Section 1. Eligibility.

WHEREAS, the Board of Directors desires to correct an error in Article III. Membership Meetings, Section 4, by deleting a sentence that prohibits voting by proxy, which is otherwise specifically authorized in Article II. Membership, Section 4. Voting.

Now therefore, the Directors of the Arizona Private Lender Association agree as follows:

1. The Directors hereby delete the following sentence contained in Article II. Membership, Section 1. Eligibility, Members (Regular Membership): "For this purpose, at least 75% of the entity's gross income must be derived from loans funded by private money." and substitutes the following in its place:

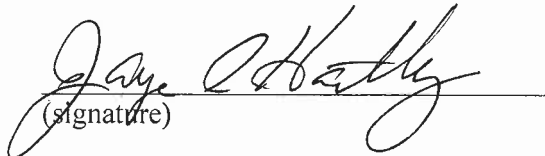
"For this purpose, the Member must be engaged in private money lending secured by real estate, as part of the Member's business".

2. The Directors hereby delete the following sentence in Article III., Membership Meetings, Section 4, Quorum: "No voting shall be by proxy."

3. This Consent Action shall be effective as of the date this Consent is signed by the last Director to sign.

Signed this date of December 17, 2008.

Director of the Arizona Private Lender Association:

  
(signature)

Jayne A. Hartley  
(print name)

**Consent Action of the Board of Directors  
of the Arizona Private Lender Association,  
an Arizona nonprofit corporation**

Pursuant to Arizona Revised Statutes Section 10-821, the Board of Directors of the Arizona Private Lender Association, an Arizona nonprofit corporation, hereby consents, without a meeting, as follows.

WHEREAS, the Board of Directors desires to change the standard for Regular Membership as provided in Article II. Membership, Section 1. Eligibility.

WHEREAS, the Board of Directors desires to correct an error in Article III. Membership Meetings, Section 4, by deleting a sentence that prohibits voting by proxy, which is otherwise specifically authorized in Article II. Membership, Section 4. Voting.

Now therefore, the Directors of the Arizona Private Lender Association agree as follows:

1. The Directors hereby delete the following sentence contained in Article II. Membership, Section 1. Eligibility, Members (Regular Membership): "For this purpose, at least 75% of the entity's gross income must be derived from loans funded by private money." and substitutes the following in its place:

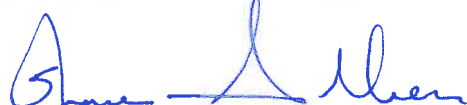
"For this purpose, the Member must be engaged in private money lending secured by real estate, as part of the Member's business".

2. The Directors hereby delete the following sentence in Article III., Membership Meetings, Section 4, Quorum: "No voting shall be by proxy."

3. This Consent Action shall be effective as of the date this Consent is signed by the last Director to sign.

Signed this date of December 17, 2008.

Director of the Arizona Private Lender Association:

  
(signature)

Shane Albers  
(print name)

**Consent Action of the Board of Directors  
of the Arizona Private Lender Association,  
an Arizona nonprofit corporation**

Pursuant to Arizona Revised Statutes Section 10-821, the Board of Directors of the Arizona Private Lender Association, an Arizona nonprofit corporation, hereby consents, without a meeting, as follows.

WHEREAS, the Board of Directors desires to change the standard for Regular Membership as provided in Article II. Membership, Section 1. Eligibility.

WHEREAS, the Board of Directors desires to correct an error in Article III. Membership Meetings, Section 4, by deleting a sentence that prohibits voting by proxy, which is otherwise specifically authorized in Article II. Membership, Section 4. Voting.

Now therefore, the Directors of the Arizona Private Lender Association agree as follows:

1. The Directors hereby delete the following sentence contained in Article II. Membership, Section 1. Eligibility, Members (Regular Membership): "For this purpose, at least 75% of the entity's gross income must be derived from loans funded by private money." and substitutes the following in its place:


"For this purpose, the Member must be engaged in private money lending secured by real estate, as part of the Member's business".


2. The Directors hereby delete the following sentence in Article III., Membership Meetings, Section 4, Quorum: "No voting shall be by proxy."

3. This Consent Action shall be effective as of the date this Consent is signed by the last Director to sign.

Signed this date of December 18, 2008.

Director of the Arizona Private Lender Association:

  
\_\_\_\_\_  
(signature)

  
\_\_\_\_\_  
(print name)



**Consent Action of the Board of Directors  
of the Arizona Private Lender Association,  
an Arizona nonprofit corporation**

Pursuant to Arizona Revised Statutes Section 10-821, the Board of Directors of the Arizona Private Lender Association, an Arizona nonprofit corporation, hereby consents, without a meeting, as follows.

WHEREAS, the Board of Directors desires to change the standard for Regular Membership as provided in Article II. Membership, Section 1. Eligibility.

WHEREAS, the Board of Directors desires to correct an error in Article III. Membership Meetings, Section 4, by deleting a sentence that prohibits voting by proxy, which is otherwise specifically authorized in Article II. Membership, Section 4. Voting.

Now therefore, the Directors of the Arizona Private Lender Association agree as follows:

1. The Directors hereby delete the following sentence contained in Article II. Membership, Section 1. Eligibility, Members (Regular Membership): "For this purpose, at least 75% of the entity's gross income must be derived from loans funded by private money." and substitutes the following in its place:

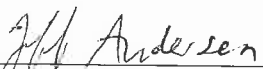
"For this purpose, the Member must be engaged in private money lending secured by real estate, as part of the Member's business".

2. The Directors hereby delete the following sentence in Article III., Membership Meetings, Section 4, Quorum: "No voting shall be by proxy."

3. This Consent Action shall be effective as of the date this Consent is signed by the last Director to sign.

Signed this date of December 31, 2008.

Director of the Arizona Private Lender Association:

  
\_\_\_\_\_  
(signature)

Jeff Andersen  
\_\_\_\_\_  
(print name)

**Consent Action of the Board of Directors  
of the Arizona Private Lender Association,  
an Arizona nonprofit corporation**

Pursuant to Arizona Revised Statutes Section 10-821, the Board of Directors of the Arizona Private Lender Association, an Arizona nonprofit corporation, hereby consents, without a meeting, as follows.

WHEREAS, the Board of Directors desires to change the standard for Regular Membership as provided in Article II. Membership, Section 1. Eligibility.

WHEREAS, the Board of Directors desires to correct an error in Article III. Membership Meetings, Section 4, by deleting a sentence that prohibits voting by proxy, which is otherwise specifically authorized in Article II. Membership, Section 4. Voting.

Now therefore, the Directors of the Arizona Private Lender Association agree as follows:

1. The Directors hereby delete the following sentence contained in Article II. Membership, Section 1. Eligibility, Members (Regular Membership): "For this purpose, at least 75% of the entity's gross income must be derived from loans funded by private money." and substitutes the following in its place:

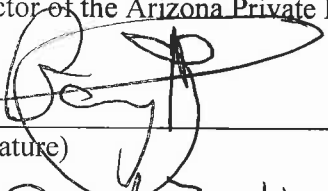
"For this purpose, the Member must be engaged in private money lending secured by real estate, as part of the Member's business".

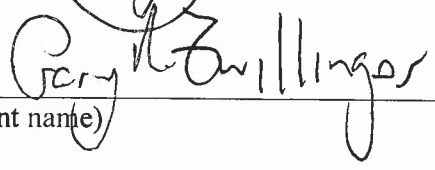
2. The Directors hereby delete the following sentence in Article III., Membership Meetings, Section 4, Quorum: "No voting shall be by proxy."

3. This Consent Action shall be effective as of the date this Consent is signed by the last Director to sign.

Signed this date of January 12, 2008.

Director of the Arizona Private Lender Association:

  
\_\_\_\_\_  
(signature)

  
\_\_\_\_\_  
(print name)

**Consent Action of the Board of Directors  
of the Arizona Private Lender Association,  
an Arizona nonprofit corporation**

Pursuant to Arizona Revised Statutes Section 10-821, the Board of Directors of the Arizona Private Lender Association, an Arizona nonprofit corporation, hereby consents, without a meeting, as follows.

WHEREAS, the Board of Directors desires to change the standard for Regular Membership as provided in Article II. Membership, Section 1. Eligibility.

WHEREAS, the Board of Directors desires to correct an error in Article III. Membership Meetings, Section 4, by deleting a sentence that prohibits voting by proxy, which is otherwise specifically authorized in Article II. Membership, Section 4. Voting.

Now therefore, the Directors of the Arizona Private Lender Association agree as follows:

1. The Directors hereby delete the following sentence contained in Article II. Membership, Section 1. Eligibility, Members (Regular Membership): "For this purpose, at least 75% of the entity's gross income must be derived from loans funded by private money." and substitutes the following in its place:

"For this purpose, the Member must be engaged in private money lending secured by real estate, as part of the Member's business".

2. The Directors hereby delete the following sentence in Article III., Membership Meetings, Section 4, Quorum: "No voting shall be by proxy."

3. This Consent Action shall be effective as of the date this Consent is signed by the last Director to sign.

Signed this date of December 31, 2008.

Director of the Arizona Private Lender Association:

  
\_\_\_\_\_  
(signature)

William Anastopoulos  
\_\_\_\_\_  
(print name)