

**PROPOSED BY-LAWS OF
REDWOOD EMPIRE MORTGAGE LENDERS ASSOCIATION**

(A Non Profit Membership Corporation)
As adopted by the Directors on September 4, 1987

ARTICLE I

NAME

The name of this Association shall be Redwood Empire Mortgage Lenders Association.
(REMLA)

ARTICLE II

PURPOSES

The Purposes for which this Association is organized shall be:

- A. To develop and encourage the education of our personnel, to aid colleges and universities in establishing and improving courses on and relating to mortgage lending; to encourage qualified people in universities and colleges and in business to adopt careers in real property lending.
- B. To encourage among its members, sound, ethical business practices and methods in the making, marketing and servicing of mortgage loans.
- C. To inform its members of changes in laws and or pending legislation affecting the lending business.
- D. To sponsor meeting for the discussion of issues of interest to those engaged in the mortgage business.
- E. To strive to improve all aspects of our business.
- F. To inform the public located in the local area of the existence of REMLA approved lenders, their beneficial effect on the economy of the state, and the services they render for individuals and business concerns.

- G. To establish a liaison with affiliated industries involved in real estate.

ARTICLE III

MEMBERSHIP

SECTION I. QUALIFICATION

- A. Unless disqualified by other provisions of these By-Laws, individuals, partnerships or corporations located in and doing business in California may be eligible for membership in this Association whose business, in whole or in part, shall come within one or more of the following classifications:

MEMBERS:

1. Individuals, partnerships or corporations whose principal business is the making of and/or servicing of mortgage loans.
2. Savings and Loan Associations.
3. Mortgage Brokers.
4. Mortgage Loan Correspondents for Institutional Investors.
5. Banks, insurance companies, pension funds, investment trusts, real estate and mortgage investments trust, investment bankers and similar institutional type organizations, active in the mortgage business, including the management companies and investment counselors for such organizations.

AFFILIATES:

1. Title Insurance Companies.
2. Fee Appraisers.
3. Credit Bureaus.
4. Private Mortgage Insurance Companies.
5. Builders and Developers.
6. Pest Control Companies
7. Other related industries.

B. By appropriate resolution by the Board of Directors, individuals who have rendered outstanding service as a member of this Association, and who no longer spend a significant portion of their time in active business, may be awarded a gratuitous non-voting honorary membership in this Association. Each Past President of this Association shall be awarded automatically a gratuitous non-voting, honorary membership in this Association

SECTION 2. CLASSIFICATION

All members of this Association shall be classified as Active Members, except such persons as may be elected to an honorary membership as herein above provided, or who, by reason of their professional stature and interest in the affairs of the Association, may qualify by appropriate resolution by the Board of Directors under the classification of gratuitous non-voting honorary membership.

- A. Applicants for membership shall be recommended by two (2) or more members of this Association in good standing.
- B. Each application for membership shall be accompanied by the required membership application fee and referred to the Membership Committee for investigation and recommendation. The Membership Committee shall make a thorough investigation of each applicant, including, but not limited to their status with the appropriate licensing authority. Within thirty (30) days following receipt of the application the Membership Committee shall submit its recommendation to the Board of Directors.
- C. Notice of admission to membership shall be forwarded to the applicant by the Vice President.
- D. An application having been rejected shall not be resubmitted within one (1) year after its rejection.
- E. Each approved applicant shall be announced at the next general meeting of the Association.

SECTION 4. LAPSE – SUSPENSION – EXPULSION

- A. The Board of Directors, on its own motion or on complaint filed with it, may cite any member of this Association to appear before it for violations of the Association By-Laws or Code of Conduct. Should complaint be made by a member it shall be in writing and signed. Upon receipt of the complaint, the Secretary, when directed by the Board of Directors, shall notify members of the time and place of the meeting when the complaint and answer may be heard. This meeting to be at least fifteen (15) days after sending the notice to such member. The investigation of the complaint shall be conducted in such a manner as the board may see fit, and if complaints are found injurious to the interest and general welfare of the Association, the Board may censure, suspend or expel such member within the prerogative of its discretion as determined by the circumstances of the case. The Board of Directors shall be the sole judge of what constitutes conduct injurious to the interest and welfare of this Association as well as the sufficiency of the evidence by which such conduct is shown. A two-thirds (2/3) vote of the Board of Directors shall be necessary to expel a member. Suspension or termination shall be necessary to expel a member. Suspension or termination shall occur within five (5) days after the hearing.

SECTION 5. REINSTATEMENT

- A. Any member who has forfeited membership for non-payment of dues or other indebtedness to this Association may, upon written application, be considered for reinstatement to membership upon payment in full of such past due obligations and fulfillment of such other terms and conditions as the Board of Directors shall require.
- B. A member who has been expelled from this Association for improper or unethical practice or for conduct considered detrimental to the interest and welfare of this Association upon such terms and conditions as may be prescribed by the Board of Directors.

SECTION 6. LIABILITIES AND PROPERTY RIGHTS OF MEMBERS.

No member now or hereafter admitted to this Association shall be personally liable to any creditor of this Association for the performance of any obligation, or the payment of any indebtedness of this Association nor shall any member now or hereafter admitted to this Association following termination, of the membership of such member.

SECTION 7. QUALIFICATION OF MEMBERSHIP

The membership of any individual, partnership or corporation shall be terminated in the event the operations of such organization do not qualify it for membership under the provisions of Section I of this Article. In the further event an individual associated with such terminated organization is an officer, director or committee member of this Association, or if such individual severs their employment with a member in good standing and is not employed forthwith by another member in good standing, the tenure of office of such individual shall terminate concurrently with either the termination of such member organization as a member of the Association or their severance from employment, as the case may be, and the Board of Directors shall designate another member of this Association to fulfill the unexpired term of office of such terminated member.

Upon notification of such termination of membership, either the individual, partnership, or corporation may apply to the Membership Committee for a hearing within thirty (30) days of receipt of notice of such termination. The Membership Committee shall review all of the facts pertinent to meeting the qualifications for membership and make its recommendation for termination or reinstatement to the Board of Directors. If such a hearing by the Membership Committee is requested by a member, termination of membership shall not occur until confirming action is taken at the regular meeting of the Board of Directors following the Directors receipt of the recommendation of the Membership Committee.

SECTION 8. VOTE

Each member of this Association in good standing shall be entitled to one vote, with the further provision that each partnership or corporation shall be considered a single entity and entitled to one vote. Affiliate members are non-voting members.

ARTICLE IV

MEMBERSHIP FEES

SECTION 1. COMPANY MEMBERSHIP

Company Membership in the Association has annual dues of \$150. Company members are entitled to one (1) vote. Company membership is non-transferable. The company's membership entitles the employees of the member company to attend all monthly meetings and Association functions. All employees of said company will be charged fees for any such functions at the membership price.

SECTION 2. INDIVIDUAL MEMBERSHIP

Individual membership in the Association has annual dues of \$50.00 Individual membership is non transferable. The individual members are entitle to one (1) vote.

SECTION 3. PAYMENT OF MEMBERSHIP DUES

The annual dues of this Association shall be an amount as established from time to time by the Board of Directors payable on or before January 1st each year, after receipt of statement which shall be mailed to each member by the Vice President no later than November 1st. Membership approved after July 1st will pay a membership fee of one-half (1/2) the normal fee. Any member who is delinquent for thirty (30) days or more in the payment of dues or other indebtedness to this Association may be suspended by the Board of Directors from all rights and privileges of membership and shall automatically and without further action by the Board of Directors be dropped from the roster of this Association.

ARTICLE V

GOVERNMENT AND RULES OF ORDER

SECTION 1. ADMINISTRATION

The administration of the affairs of this Association shall be vested in a Board of Directors consisting of Officers, Immediate Past President and at least five (5) members elected at large; six (6) of who shall constitute a quorum.

SECTION 2. OFFICERS

The officers of this Association shall be: President, President Elect, Vice President, Secretary and Tresurer.

SECTION 3. EXECUTIVE COMMITTEE

The officers of this Association and the immediate past president of the Association shall constitute an Executive Committee, a majority of which shall have full power and authority to act for and on behalf of the Board of Directors as to any matters such committee believes requires action prior to the next meeting of the Board of Directors.

SECTION 4. RULES OF ORDER

Roberts Rules of Order, revised, shall be the recognized authority for procedure of conduct for all meeting of this Association.

ARTICLE VI

ELECTION OF OFFICERS AND DIRECTORS

SECTION 1. TERM

Officers of this Association shall be elected for a term of one year from the dated of the annual meeting of the Association, or until their successors are duly elected. The initial five (5) Directors elected at large shall be divided into two (2) groups. The first group of two (2) shall serve a term of one (1) year, the second group of three (3) a term of two (2) years. Each year Directors shall be elected from the membership of the Association for a term of two (2) years to take the place of the Directors whose term then expires.

SECTION 2. ELECTIONS

No later than the October Board meeting, the President shall appoint with the approval of the Board of Directors, a Nominating Committee consisting of five (5) or more members in good standing, who shall nominate one or more members (s) in good standing as candidates for officers and directors in addition to the candidates nominated by the Nominating Committee. Immediately following the November Board meeting the Nominating Committee will send to all members in good standing a ballot indicating the nominations. The ballots will be tallied at the December Board meeting. The announcement of the upcoming board will be made at the December Board meeting. The announcement of the upcoming board will be made at the December membership meeting. The retiring President will automatically become a member of the Board of Directors for one (1) year.

ARTICLE VII

POWERS OF THE BOARD OF DIRECTORS

SECTION 1. POWERS

The Board of Directors shall have the duty and power to control and manage all of the affairs of this Association, shall make all purchases and contracts, provide for all expenditures and do any and all business necessary in connection with the transaction of business of the Association in carrying out its objectives and purpose. The action of the Board of Directors shall be final, shall not require the approval of the members of the Association to be valid, and shall include, but not be limited to the following:

- A. The Board of directors shall approve the standing committees of the Association appointed by the President, and shall prescribe the purposes, and powers and responsibilities of each committee. The term of office of any committee shall terminate with the elective year for which it is appointed unless expressly provided otherwise.
- B. Authority to levy special assessments shall be vested in the Board of Directors, subject to the approval of a majority of the membership assembled in regular or special meetings, after having been provided with written notice of the nature and extent of such special assessment at least ten days prior to such meetings.
- C. The Board of Directors shall have the power to collect through the Treasurer such dues and assessments that from time to time may be authorized.
- D. The Board of Directors may retain legal counsel and employ such other persons that may be necessary to the proper conduct of the business of the Association.
- E. The Board of Directors shall have the management and direction of the funds and properties of this Association, may designate a depository for the Association's funds, and may invest funds of the Association in such manner as, within the discretion of the Board, may appear prudent. All contracts or other instruments obligations or binding this Association shall be signed by at least two officers of this Association after approval thereof by the Board of Directors. No officer or director shall have the authority to bind the Association to pay money for an purpose or to perform obligations of any kind except upon the express authorization of the Board of Directors.
- F. The Board of Directors may fill any vacancy among the officers or directors by an affirmative vote of at least seven (7) of those present at a regular or special meeting of such board. The person so elected shall hold office until his successor is duly elected.

ARTICLE VIII

DUTIES OF OFFICERS

SECTION 1. PRESIDENT

The President shall call and preside at all regular and special meetings of the Board of Directors and general membership meetings. The President shall enforce the observance of the rules, and regulations and By-Laws of this Association, and shall propose and recommend action which in their judgment is beneficial to the interest and welfare of this Association and its members.

SECTION 2. PRESIDENT ELECT

In the absence of the President, the President Elect Shall perform all the duties and functions of the office of President, shall issue notices of all general membership meetings and in addition, shall perform such other duties as may be designated from time to time by the Board of Directors or the President. The President Elect shall Chair the Publicity/Pubic Relations/Program Committee.

SECTION 3. VICE PRESIDENT

In the absence of the President and President Elect, the Vice President shall perform all the duties and functions of the office of President, shall keep an accurate roster of the members of the Association, and in addition, shall perform such other duties as may be designated from time to time by the Board of Directors or the President. The Vice President shall chair the Membership Committee.

SECTION 4. SECRETARY

The Secretary shall perform all the duties and functions of the office of President in the absence of the President, President Elect and Vice President, shall keep a record of the proceedings of this Association including, but not limited to, minutes of all regular and special meetings of the Board of Directors. This record and minutes shall, at all reasonable times, be open for inspection by members of the Association, have charge of all files and records of the Association and, in addition, shall perform such other duties as may from time to time be designated by the Board of Directors.

SECTION 5. TREASURER

The Treasurer shall have charge of all funds of the Association and all the disbursements, subject to the directors of the Board of Directors. The Treasurer shall send notices to members of dues and accounts payable and shall receive and receipt for all monies belonging to or repayable by the Association. The Treasurer shall chair the budget committee and keep a current record of an account for monies and shall make a full report thereof at the annual meeting of the Association, and at such other times as may be prescribed by the Board of Directors. Funds may be withdrawn from designated depositories only upon the joint signatures of any two of the officers of the Association. The Treasurer shall perform such other duties as may be designated from time to time by the Board of Directors. The Treasurer shall chair the Budget Committee.

ARTICLE IX

COMMITTEE

SECTION 1. STANDING COMMITTEES

Regular standing committees of this Association shall be appointed by the President and approved by the Board of Directors within thirty (30) days after the annual meeting. The standing committees shall be as follows:

- a. Membership
- b. Education
- c. Legislative
- d. Publicity/Public Relations/Programs
- e. Budget
- f. Allocations

SECTION 2. MEMBERS

All standing committees shall consist of at least three (3) members, including the Chairman thereof.

SECTION 3. SPECIAL COMMITTEES

The President may appoint such special committees as may be necessary to carry out the orderly functions of the Association in accordance with its purposes and objectives.

ARTICLE X

MEETINGS

SECTION 1. GENERAL MEMBERSHIP

General membership meetings shall be held monthly.

SECTION 2. BOARD OF DIRECTORS

The Board of Directors shall meet upon call and at such time and place as may be designated from time to time by the President, provided, however, that the Board of Directors shall meet monthly.

SECTION 3. ANNUAL MEETING

The annual meeting shall be held each January, the date and time to be determined by the Board of Directors.

ARTICLE XI

BY-LAW AMENDMENTS

SECTION 1. BOARD

These By-Laws may be amended in whole or in part by the Board of Directors except Article V, Section 1, at any regular or special meeting of the Board of Directors upon an affirmative vote of at least six (6) members, provided at least ten (10) day's written notice of such proposed amendment is furnished to each member of the Board by the Secretary. It is provided further that such amendment shall become effective after ratification and approval by an affirmative vote of at least two-thirds (2/3) of the members.

SECTION 2. MEMBERS

An individual member of the Association may offer an amendment to these By-Laws at any regular membership meeting of the Association and as such proposed amendment shall be reduced in writing by the Secretary and submitted to the Board of Directors at least ten (10) days prior to the Board's next regular meeting. Six (6) or more affirmative votes are required for approval by the Board. If such proposed amendment shall fail to obtain the number of affirmative votes from the Board of Directors required for approval, the Secretary then shall cause notice in writing to the proposed amendment to be sent to

each member of the Association in good standing at least fifteen (15) days prior to the next membership meeting of the Association, at which time the proposed amendment shall be submitted to vote, and if approved by an affirmative vote of at least three-fourths (3/4) of the members in good standing present, such amendment shall be considered as adopted and shall become a part of the By-Laws of this Association.

SECTION 3. AMEND, REPEAL

These By-Laws may be amended or repealed by the vote or written assent of the majority of the members entitled to vote or by the vote of a majority of a quorum at a meeting of members duly called pursuant to these By-Laws.