

**By-Laws of
THE DALLAS MORTGAGE BANKERS ASSOCIATION**

**ARTICLE I
NAME**

The name of the Association shall be: THE DALLAS MORTGAGE BANKERS ASSOCIATION, a non-profit corporation, incorporated under the laws of the State of Texas, herein referred to as the Association.

**ARTICLE II
PURPOSE**

The purposes for which the Association is organized are:

1. To encourage investment in real estate mortgage loans, particularly by investors located outside the State of Texas.
2. To encourage the use of investors of the services of members of the corporation.
3. To promote real estate mortgage investments and the use of services of members, by educational, social and publicity activities, in cooperation with civic, business, professional and other organizations.
4. To enter into research work involving the study of economic conditions, mortgage laws and regulations and other matters involving, directly or indirectly, real estate mortgage loan investments or member's business in connection therewith.
5. To study, undertake research and provide factual information on existing law and proposed legislation affecting real estate mortgage loan investments, and the servicing thereof, within the State of Texas.
6. To employ attorneys, accountants, corporations or other to enter into said research and educational work and such work as may be designated by the corporation to accomplish some or all of the foregoing purposes.
7. To engage in all activities necessary, useful or expedient to carry out the foregoing purposes and to have any and all powers permitted by the Texas Non-Profit Corporation Act.

**ARTICLE III
MEMBERSHIP**

SECTION 1: Classes of Membership. The Association shall have two classes of members. The designation of such classes and qualifications and rights of members of such classes shall be as follows:

- (a) Regular Members shall be selected from institutions that are involved, directly or indirectly, in the origination, selling, and/or servicing of mortgage loans in the secondary market and which are in accord with the aims, objectives and standards of The Dallas Mortgage Bankers Association.

- (b) Honorary Members shall be selected from the following: Persons associated with the industry who have faithfully worked or promote the principles of the mortgage banking industry.

SECTION 2: Election of Members. Applications to Regular Membership into this Association shall be made in writing on forms provided by the Association in the following manner:

- (a) Applicants for membership shall be recommended by a Regular Member of this Association in good standing.
- (b) The completed form must be sent to the Association.
- (c) Upon receipt, the Association will forward the information to the Chairman of the membership Committee.
- (d) The Chairman of the Membership Committee shall certify the qualifications of the applicant and forward the application to the Board of Directors for final action. Honorary Members shall be elected from time to time by the Board of Directors.

SECTION 3: Voting Rights. Each Regular Member shall be entitled to one vote at the Annual Business Meeting or any Called Meeting of the Association. Honorary Members may not exercise the right to vote.

SECTION 4: Termination of Membership. The Board of Directors, by affirmative vote of two-thirds of all Board members present and voting, may suspend or expel any member for cause.

SECTION 5: Reinstatement: Any member whose membership has been suspended for non-payment of dues or other indebtedness to the Association may be considered for reinstatement upon fulfillment of the conditions set out in the decision of suspension and such other items and conditions as the Board of Directors may deem necessary. Any member suspended for any other reason may be reinstated only upon the Board's approval.

SECTION 6: Dues. Annual dues shall be due and payable by members on January 1 of each year and will be delinquent on February 1, for the following fiscal year's dues. Any change in the dues shall be first approved by the Board of Directors and then presented to the membership at any meeting for discussion and the approval of the Regular Members. Changes in the level of dues shall not be retroactive but shall apply prospectively to new Regular Members and the next annual dues payments only. Should the Board of Directors determine the finances of the Association require a special assessment from Regular Members, shall be presented for discussion and the approval of Regular Members at any meeting, specifying the time when special assessments shall be due. Dues for new members shall be payable upon their election to membership. Dues are not refundable once paid. Honorary Members shall not be required to pay dues or special assessments.

ARTICLE IV

MEETING OF MEMBERS

SECTION 1: Annual Business Meeting. An Annual Business Meeting of the members, to be known as and referred to herein and in the official records of the Association as the Annual Business Meeting shall be held in November, at which meeting shall be held the election of Officers and Directors for the coming year and for the transaction of such business as may come before the membership.

SECTION 2: General Membership Meetings. Unless otherwise specifically set by the board of Directors, General Membership meetings shall be held each month on a date set by the Board of Directors.

SECTION 3: Quorum. At all meetings ten (10%) percent of the voting members shall constitute a quorum for the transaction of business. Except in cases in which it is by Charter or by the Bylaws otherwise provided, a majority of the votes cast at a duly constituted meeting shall be sufficient to elect and pass any measure.

ARTICLE V BOARD OF DIRECTORS

SECTION 1: General Powers.

- (a) The government of the Association and the management of its affairs shall be vested in the Board of Directors, subject to the bylaws of the Association. The Board shall ordinarily carry on the affairs of the Association through the duly elected officers and Directors of the Association.
- (b) The Board or Directors shall have the power to employ or contract legal counsel or such persons as are necessary for the purpose of serving the Association and its members and to assure the proper conduct of business of the Association.

SECTION 2: Number and Tenure:

- (a) There shall be a total of no more than twenty Directors of the Association, including the officers and the Past President.
- (b) The President, Vice President and Secretary/Treasurer shall be Directors of the Association by virtue of their office.
- (c) The Directors shall be elected annually at the Annual Business Meeting. Terms of all the Directors shall be one calendar year commencing in January each year.

SECTION 3: Meetings. The President of the Association shall determine the date, time and place of the meetings of the Board of Directors with the concurrence of the Board of Directors.

SECTION 4: Quorum. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Each Director present at any meeting shall have one vote.

ARTICLE VI OFFICERS

SECTION 1: Officers of the Association. The officers of the Association shall be a President, Vice President, Treasurer, and Secretary.

SECTION 2: Election and Term of Office. The Officers of the Association shall be elected annually at the Annual Business Meeting. Terms of all Officers shall be one calendar year commencing in January of each year.

SECTION 3: Vacancies. Where a vacancy exists or is created in the elected offices of the Association (other than President), the President may make an appointment to fill such a vacancy with the consent of the Board of Directors.

SECTION 4: President. The President shall be the principal officer of the Association and shall generally supervise all of the business and affairs of the Association. He shall preside at all meetings of the members and the Board of Directors. He shall perform all duties as may be prescribed by the Board of Directors from time to time. No person shall be qualified to serve as President of the Association unless he shall have been a Regular Member of the Association for two years.

SECTION 5: Vice President. The Vice President shall, when necessary, perform the duties of the President, and shall succeed the presidency in the event of a vacancy in that office. No person shall be qualified to serve as a Vice President of the Association unless and until he shall have been a Regular Member of the Association for two years.

SECTION 6: Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association and all records pertaining thereto. He shall receive and give receipts for or cause the same to be done for monies due and payable to the Association from any source whatsoever, and deposit or cause to be deposited all such monies in the name of the Association. He shall perform all duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. No person shall be qualified to serve as Treasurer of the Association until and unless he shall have been a Regular Member of the Association for two years.

SECTION 7: Secretary. The Secretary shall have charge and custody of the meeting minutes of the Association and be responsible for ensuring that accurate meeting minutes are recorded and approved. He shall be responsible for periodically obtaining and distributing the mail delivered to the post office box. He shall perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. No person shall be qualified to serve as Treasurer of the Association until and unless he shall have been a Regular Member of the Association for two years.

ARTICLE VII COMMITTEES

SECTION 1: There shall be such Committees of the Association as shall be designated from time to time by the President. The Chairperson of a committee shall be a Director of the Association.

- (a) Nominating Committee. There shall be established a Nominating Committee of three members appointed each year by the President, with approval of a majority vote of the Board of Directors. The Nominating Committee will present the slate of Officers and Directors at the General Membership Meeting in October. Voting by the membership shall take place at the Annual Business Meeting.
- (b) Audit Committee. There shall be established an Audit Committee appointed each year by the President with approval of a majority vote of the Board of Directors. The Audit Committee shall perform a review of the Association records annually. Each January, the Association shall hire an independent accountant to prepare and file the Association's tax return.

ARTICLE VIII CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1: Contracts. The Board of Directors may authorize any Officer or Officers to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or specific.

SECTION 2: Checks, Drafts, Etc. All checks, drafts or orders for payment of money, or other evidence of indebtedness issued in the name of the Association need to be signed by only one Officer of the Association to be valid.

SECTION 3: Deposits. The Board of Directors may select the banks or other depositories to be used by the Association, and all funds of the Association shall be deposited therein as soon as practicable after receipt thereof.

ARTICLE IX FISCAL YEAR

The fiscal year of the Association shall commence at 12:01 a.m. on January 1 and end at 11:59 p.m. on December 31 of the same year.

ARTICLE X AMENDMENTS TO BYLAWS

These bylaws may be amended by a majority vote of Regular Members present and voting at any regular or business meeting of the Association, provided notice of the proposed amendments shall have been given at the previous meeting or in writing to each

Regular Member at least two weeks before the meeting at which the amendment is to be voted.

ARTICLE XI INDEMNITY

The Association shall indemnify and hold harmless any Officer, Director or Committee member from and against any and all claims, losses, damages, causes of action, suits, and liability of any kind, including without limitation all expenses of litigation, court costs, or attorney's fees, which said person may suffer as the result of or in connection with the act or acts of said person reasonably performed on behalf of the Association and in furtherance of the purposes of the Association.

Said indemnity shall not extend to and the Association shall not be liable for any claim or claims contemplated hereunder which may result from or arise out of or in connection with the negligence (regardless of kind) or intentional misconduct of said person.

The Association's liability under said indemnity shall not exceed the net worth of the Association at the time the claim or claims contemplated hereunder arise, regardless of the number or duration of said claims or the number of said persons suffering such.

Any person suffering any claim or claims contemplated hereunder shall give the Board immediate written notice of such; upon request, said person shall immediately provide to the Board any information available to said person reasonably necessary for the Board to determine whether to honor said claim or claims.

Upon payment by the Board in full or partial satisfaction of claim or claims contemplated hereunder, any person so paid shall, in a form satisfactory to the Board, release the Association from any further liability related to or arising out of said claim or claims.