

**BYLAWS**

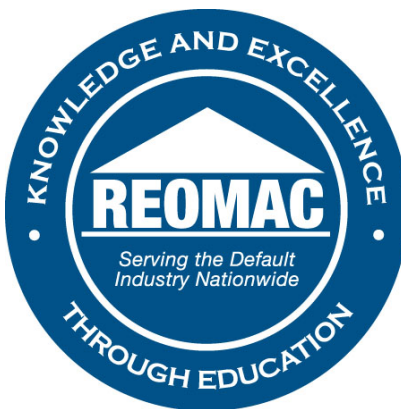
**OF THE**

**ASSOCIATION**

**OF**

**REAL ESTATE**

**OWNED MANAGERS, INC.**



A California Nonprofit Corporation

Revised & Approved June 2016

## TABLE OF CONTENTS

<b>Article I.</b>	<b>Name</b> .....	<b>4</b>
Section 1.01	Name .....	4
Section 1.02	Principal Office .....	4
Section 1.03	Mission .....	4
Section 1.04	Restrictions .....	4
Section 1.05	Board Manual.....	4
<b>Article II.</b>	<b>Purpose</b> .....	<b>4</b>
Section 2.01	Membership Qualifications & Rights .....	4
Section 2.02	Rules and Guidelines .....	6
Section 2.03	Member in good Standing .....	6
Section 2.04	Member Obligation to Follow Association Rules.....	6
Section 2.05	Termination .....	6
Section 2.06	Discipline.....	6
Section 2.07	Member Liability .....	6
Section 2.08	Non-Transferability of Membership .....	6
<b>Article III.</b>	<b>Dues</b> .....	<b>7</b>
Section 3.01	Dues.....	7
Section 3.02	Delinquency .....	7
Section 3.03	Refunds.....	7
<b>Article IV.</b>	<b>Membership Meetings</b> .....	<b>7</b>
Section 4.01	Annual Membership Meeting .....	7
Section 4.02	Special Meetings.....	7
Section 4.03	Notice .....	7
Section 4.04	Quorum, Voting.....	7
Section 4.05	Action Without a Meeting: Written Ballot.....	7
<b>Article V.</b>	<b>Board of Directors and Governance</b> .....	<b>8</b>
Section 5.01	Board of Directors .....	8
Section 5.02	Eligibility and Number of Directors .....	8
Section 5.03	Terms of Office .....	8
Section 5.04	Nomination .....	9
Section 5.05	Vacancies .....	9
Section 5.06	Meetings .....	9
Section 5.07	Notice .....	9
Section 5.08	Quorum .....	9
Section 5.09	Board Action .....	9
Section 5.10	Meeting Attendance .....	9
Section 5.11	Conduct of Meetings .....	9
Section 5.12	Meeting by Conference or Other Means .....	9
Section 5.13	Action by Unanimous Written Consent Without a Meeting .....	10
Section 5.14	Advisory Board.....	10
<b>Article VI.</b>	<b>Officers</b> .....	<b>10</b>
Section 6.01	Officers.....	10
Section 6.02	Qualifications .....	10
Section 6.03	Election and Term of Office .....	10
Section 6.04	Duties .....	10
Section 6.05	Removal and Resignation .....	10
Section 6.06	Vacancies .....	10

<b>Article VII.</b>	<b>Executive Committee</b> .....	<b>11</b>
Section 7.01	Composition .....	11
Section 7.02	Authority .....	11
<b>Article VIII.</b>	<b>Other Committees</b> .....	<b>11</b>
Section 8.01	Other Committees .....	11
<b>Article IX.</b>	<b>Indemnification and Insurance</b> .....	<b>11</b>
Section 9.01	Indemnification .....	11
Section 9.02	Insurance .....	11
<b>Article X.</b>	<b>Chapters</b> .....	<b>11</b>
Section 10.01	Chapters .....	11
<b>Article XI.</b>	<b>Fiscal Year</b> .....	<b>11</b>
Section 11.01	Fiscal Year .....	11
<b>Article XII.</b>	<b>Amendment of Bylaws</b> .....	<b>12</b>
Section 12.01	Amendment of Bylaws .....	12
<b>Article XIII.</b>	<b>Interpretation</b> .....	<b>12</b>
Section 13.01	Interpretation .....	12
<b>Article XIV.</b>	<b>Execution of Instruments</b> .....	<b>12</b>
Section 14.01	Execution of Instruments .....	12
<b>Article XV.</b>	<b>Prohibition Against Sharing Corporate Profits and Assets</b> .....	<b>12</b>
Section 15.01	Prohibition Against Sharing Corporate Profits and Assets.....	12

## **ARTICLE I**

### ***Name, Principal Office, Purpose and Restrictions***

- 1.01 *Name.* The name of the corporation is Association of Real Estate Owned Managers, Inc., dba REOMAC. REOMAC is a California nonprofit mutual benefit corporation. The Board of Directors, by a two-thirds majority vote of all Board Members then serving, may, from time to time, change the name of the corporation.
- 1.02 *Principal Office.* The Board of Directors ("Board") shall determine the location of the principal office of the Association.
- 1.03 *Mission.*
- REOMAC supports the success of individuals and companies in the default services industry by providing a forum for peer-to-peer networking, an environment for sharing industry best practices, and access to qualified, educated service providers.
- 1.04 *Restrictions.* All policies and activities of the Association shall be consistent with applicable federal, state and local antitrust, trade regulation laws and other legal requirements, including the Nonprofit Corporation Law of the state in which the Association is organized and operated, and applicable tax-exemption requirements.
- 1.05 *Board Manual.* The Board shall adopt and maintain a policies and procedures manual ("Board Manual" or "Manual of Policies and Procedures") setting forth the rules, policies and procedures of the Association.
- 1.06 All capital letters are terms defined in the Manual of Policies and Procedures.

## **ARTICLE II**

### ***Members***

- 2.01 *Membership Qualifications & Rights.* Membership in the Association is extended to persons involved in, or associated with the non-performing mortgage default servicing industry, and who conform to all other membership conditions and requirements established by the Association.

Membership shall be limited to individuals and organizations who materially participate in the Default Mortgage Servicing industry. There shall be FOUR (4) classes of membership: Default/REO Management Member, Affiliate Member, Agent/Broker Member, and Honorary Member. The Board of Directors, by a two-thirds majority vote of all Board Members then serving, may, from time to time, establish and alter the classes of and requirements for membership in the corporation.

The Corporation shall have four (4) classes of members, defined as follows:

**Default/REO Management Member:** Any individual who is an employee of a financial institution, mortgage company, mortgage insurance company, credit union, hedge fund/institutional buyer, or default company: and who has or shares in the responsibility of performing default servicing on loans secured by real estate property, or marketing and/or management of real estate owned property. This category shall include collection, foreclosure, bankruptcy, loss mitigation, loan workout, compliance, post-foreclosure, and asset assignment to appropriate service providers, real estate agents and brokers. This shall include all assistants, coordinators, and/or other related job positions.

Default/REO Management Members have full voting rights. It shall be a continuing goal of the Corporation that Default/REO Asset Management members comprise approximately 33% or more of the total membership.

**Affiliate Member:** An individual who is actively involved in fields which complement and provide services to the workout, loss mitigation, collection, bankruptcy, foreclosure and REO asset management and marketing efforts of financial institution (bank, mortgage company, credit union, mortgage banking master and sub-servicer, and GSE), but is not directly employed by such a company, and is not a Real Estate Agent, Broker, Realtor or Associate Real Estate Salesperson. Examples include but are not limited to accountants, auctioneers, attorneys, consultants, receivers, individual investors, loan originators, contractors, engineers, appraisers, pest control companies, field service companies, hazard insurance companies, and title and escrow companies.

Affiliate members shall have full voting rights, may serve on all committees, but may not hold the offices of President or Vice President. It shall be a continuing goal of the Corporation that affiliate members comprise approximately 33% of the total membership.

**Agent/Broker Member:** An individual who is licensed as a Real Estate Agent, Broker, or Associate Real Estate Sales person who has experience in and/or who derives a substantial portion of their income from the marketing and sale of distressed real property.

Agent/Broker Members shall have full voting rights, may serve on all committees, but may not hold the offices of President or Vice President. It shall be continuing goal of this Corporation that Agent/Broker Members comprise approximately 33% of the total membership.

**Honorary Member:** This class is honorary in nature and is created to recognize individuals who have made an outstanding contribution to the Association and/or the Business and Profession, which it represents. Nominations for this class shall be submitted to the Board of Directors along with evidence of said contribution(s). Eligibility shall be granted only by unanimous vote of the Board of Directors. Honorary members, except for Past Presidents, shall have no voting rights.

**Past Presidents:** Past Presidents shall be deemed automatic honorary members without the obligation to pay dues. However, should a Past President choose to run for election as a Director of the Board of Directors (after having served as the immediate Past President) and be elected, his or her service on the Board will be considered as a general Board member and not as an honorary (Past President) member. Past

Presidents may continue to attend and, if elected, serve on the Board, and serve on various committees.

In the event there is a question as to the categorization of an applicant, the Executive Committee or Board's determination shall be final.

- 2.02 *Rules and Guidelines.* The Board shall establish rules, guidelines and procedures for the admission, qualifications, benefits and dues of all classes of members.
- 2.03 *Member in Good Standing.* A member in good standing is one who has paid current dues and assessments, has no other outstanding obligations to the Association, and who has not been found by the Association to be in violation of membership conditions and requirements established by the Association.
- 2.04 *Member Obligation to Follow Association Rules.* Each member of this Association agrees to be bound by these Bylaws and any amendments thereto, the Manual of Policies and Procedures, and by the lawful actions of the Board and/or duly constituted committees of the Association.
- 2.05 *Termination.* A membership shall be suspended or terminated whenever the Board, or a committee or person authorized by the Board, in good faith determines that any of the following events have occurred: (a) resignation of member, on reasonable notice to the Association; (b) expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board; (c) failure of a member to pay dues, fees, or assessments in the amount and under the terms set by the Board; (d) failure to abide in the lawful decisions of any duly constituted committee of the Association, and (e) occurrence of any event that renders a member ineligible for membership, or failure to satisfy membership qualifications.
- 2.06 *Discipline.* A member may be publicly reprimanded, fined, suspended or terminated for cause by the Board or its designee. Cause shall include a failure, in serious degree, to (1) observe the Association's rules of conduct as prescribed by the Board in these Bylaws or otherwise, (2) to abide in the lawful decisions of any duly constituted committee of the Association, or to engage in any conduct which is deemed by the Board or its designee contrary or prejudicial to the interests and/or purposes of the Association. The discipline shall occur only after the member has been given a fifteen-day prior written notice of the proposed discipline and the reasons therefore. The notice shall also advise the member of the member's opportunity to be heard, orally or in writing, not less than five days before the effective date of the discipline by the Board or its designee. The Board or its designee shall determine whether cause exists and the appropriate discipline, if any.
- The Board is not required to follow the above procedure when imposing lesser discipline such as private reprimand.
- 2.07 *Member Liability.* No member of the Association shall be personally or otherwise liable for any of the debts or obligations of the Association.
- 2.08 *Non-Transferability of Membership.* Memberships in the Association may not be transferred.

### **ARTICLE III**

#### ***Dues***

- 3.01 *Dues.* The Board shall set dues and fees, make assessments and set the terms of payment.
- 3.02 *Delinquency.* Any member of the Association who is delinquent in dues, fees or assessments may be suspended or terminated. Annual dues shall be delinquent thirty days after due date, and may be subject to a late fee as set by the Board.
- 3.03 *Refunds.* No dues will be refunded except as approved by a two-thirds vote of the Board of Directors or its designee, in its sole and final discretion.

### **ARTICLE IV**

#### ***Membership Meetings***

- 4.01 *Annual Membership Meeting.* The Association shall hold an annual meeting at the place and on the date that the Board determines. At the annual meeting, Directors shall be elected, the Board shall report the activities of the Association to the members, and other business shall be transacted as may be properly brought before the meeting.
- 4.02 *Special Meetings.* The President, the Board or ten (10) percent or more of the members may call special meetings of the regular membership.
- 4.03 *Notice.* The Board must give Association members reasonable notice of all annual and special meetings. The notice shall include a description of the business to be discussed and shall be given at least 30 days (but not more than 90 days) before the meeting.
- 4.04 *Quorum, Voting.* The number of members who actually attend a membership meeting shall constitute a quorum. Whenever a quorum is present, an act or decision made by a majority of the members is a valid act or decision.
- 4.05 *Action Without a Meeting: Written Ballot.* Any action which may be taken at a meeting of the members may be taken by conforming to the balloting procedure specified in the California Nonprofit Corporation Law.

## **ARTICLE V**

### **Board of Directors and Governance**

- 5.01 *Board of Directors.* The Board is the governing body of the Association and has authority and is responsible for the supervision, control, and direction of the Association.
- 5.02 *Eligibility and Number of Directors.* The Corporation shall have twelve (12) elected Directors and may have up to four (4) additional Directors, including at least one (1) Affiliate Member and one (1) Broker/Agent Member and two (2) Default/REO Management Members, appointed by the President and affirmed by the Board of Directors. The twelve (12) elected Directors shall be composed of six (6) Default/REO Management Members, three (3) Agent/Broker members, and three (3) Affiliate members. In addition, the Immediate Past President of the Corporation who desires to serve shall automatically be a member of the Board of Directors without the necessity of election or appointment. All Directors, elected and appointed, shall be known as the Board of Directors. Any appointed Director shall serve on the Board of Directors with all of the rights and responsibilities of an elected Director. All Directors must be members of the Association.

In the event that a Director's membership category changes, or for any reason the Director ceases to qualify for membership, that person shall only serve out the current year of the board term (expiring on December 31<sup>st</sup>), even if it is the first year of an elected or appointed term. After the Director vacates their seat on the Board, that seat shall become vacant. In addition to these provisions, the Board may establish rules and guidelines relating to service on the Board of Directors.

The maximum number of Directors serving on the Board of Directors from any one institution, and/or any of its wholly owned affiliates or subsidiaries shall be limited to two members. If three or more members from the same institution and/or any of its wholly owned affiliates or subsidiaries run for election to the Board, the two members receiving the highest number of votes will be elected. If an existing Director changes jobs and goes to work for a new institution and/or any of its wholly owned affiliates or subsidiaries with two current Directors, the Director changing jobs can complete his/her present term as a Director.

- 5.03 *Terms of Office.* The Directors shall hold office for a term of two (2) years and shall be so elected that the terms of a bare majority, if there is an odd number of directors, or one-half of the Directors, if there is an even number of Directors, will expire in the odd years and the remainder in the even years. Directors shall hold office until their successors have been elected and have qualified. No Director shall serve more than three consecutive two (2) year terms. After a Director serves three consecutive two (2) year terms, said Director is ineligible to serve on the Board of Directors for one (1) year; after the term expires, he/she may then stand for re-election. There shall be no limit to the number of total terms served by a Director.

Notwithstanding the foregoing, an immediate Past President who previously served three consecutive two (2) year terms as a Director may continue to serve as a member of the Board pursuant to Section 5.02 of these Bylaws until he/she is no longer the immediate Past President (i.e. for one additional two (2) year term); thereafter, said person is ineligible to serve as a Director for one (1) year.



- 5.04 *Nomination.* The Board shall establish written rules and procedures for nominations and elections of directors and officers.
- 5.05 *Vacancies.* If a vacancy occurs on the Board for any reason, the Board may fill the unexpired portion of the term.
- 5.06 *Meetings.* The President, Vice-President, Treasurer, Secretary or any two Directors may call meetings of the Board. The Board shall hold its annual meeting at the time and place it selects and shall hold other meetings each year at the time and place it selects.
- 5.07 *Notice.* The Board may hold regular meetings without notice if the time and place of such meetings is fixed by the Board. The Board may hold special meetings upon four days notice by first class mail or 48 hours notice delivered personally or by telephone, email or other electronic means.
- 5.08 *Quorum.* A majority of the directors then in office, at least two of whom shall be Default / REO Management Members, shall be necessary to constitute a quorum of the Board.

The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding withdrawal of Directors from the meeting thus reducing the number present to less than a quorum, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this Corporation.

- 5.09 *Board Action.* Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board. The Board may adopt rules and regulations which may supplement and interpret these Bylaws and shall be binding and enforceable as to members, Directors and officers.
- 5.10 *Meeting Attendance.* Any Director who is absent from two (2) consecutive Board meetings during any calendar year may be removed by the Board of Directors in the Board's sole discretion. Any director who is absent from three (3) Board meetings shall be removed by the Board of Directors. Any Director who is not active on a committee, or who is absent from committee meetings two (2) times, may be, or three (3) times shall be removed from the Board by the Board. Attendance by telephone, or other electronic means shall not be considered absence. The Board of Directors may count excessive tardiness to board meetings as an absence.
- 5.11 *Conduct of Meetings.* The Board shall adopt and adhere to Robert's Rules of Order, latest edition, in the conduct of its meetings.
- 5.12 *Meeting by Conference or Other Electronic Means.* Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communication equipment if all of the following apply: (1) each member can communicate with all of the other members concurrently; (2) each member is provided with a means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection, to a specific action to be taken; (3) a means of verification is adopted and implemented by the corporation as to both of the following: (a) the person communicating by electronic means is entitled to

participate in the Board meeting and (b) all statements, questions, actions, or votes were made by that person and not by another not entitled to participate.

- 5.13 *Action by Unanimous Written Consent Without a Meeting.* Any action required or permitted to be taken by the Board under any provision of law may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action in the manner specified in the California Nonprofit Corporation Law.
- 5.14 *Advisory Board.* The Board of Directors may establish an Advisory Committee consisting of individuals the Board believes, in its sole discretion, will benefit the Corporation as whole and the industry it serves.

## **ARTICLE VI**

### **Officers**

- 6.01 *Officers.* The officers of the Association shall be a President, Vice President, Treasurer and Secretary. The position of Executive Director shall not be an officer of the Association, but shall be an employee or agent of the Corporation.
- 6.02 *Qualifications.* Each officer shall be a member of the Association and the Board of Directors. Only Default/REO Management Members may serve as President or Vice President. In the event that no Default/REO Management Member on the Board of Directors is available or willing to serve as President or Vice President, the Board may appoint an Interim President and/or Vice President from among the members of the Board regardless of member category, to serve until a Default / REO Management Member is installed in that office.
- 6.03 *Election and Term of Office.* The officers shall be elected from among the members of the Board by the Board at a regular meeting to serve terms of one year, or until a successor is installed.
- 6.04 *Duties.* The officers perform those duties that are usual to their positions and that are assigned to them by the Board, including those duties that are set forth in the position descriptions for each officer as adopted by the Board from time to time. In addition, the President acts as Chairman of the Board; the Vice President/Treasurer acts in place of the President when the President is not available; and the Vice President/Treasurer is the chief financial officer.
- 6.05 *Removal and Resignation:* Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 6.06 *Vacancies:* Any vacancy caused by death, resignation, removal, disqualification, or otherwise, shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in the offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

**ARTICLE VII**

**Executive Committee**

- 7.01 *Composition.* The Executive Committee shall consist of the President, Vice President, Treasurer, Secretary and the Immediate Past President. The President shall serve as Chairman of the Executive Committee.
- 7.02 *Authority.* The Executive Committee shall act in the place and stead of the Board between Board meetings on all matters except those specifically reserved by the Board. The Executive Committee shall report its actions to the Board no later than the next meeting of the Board. All actions taken by the Executive Committee shall be subject to the approval and ratification by the Board of Directors

**ARTICLE VIII**

**Other Committees**

- 8.01 *Other Committees.* The Board may form, revise or terminate other committees on such terms and conditions and at such times as it deems appropriate.

**ARTICLE IX**

**Indemnification and Insurance**

- 9.01 *Indemnification.* To the fullest extent permitted by the law, the Association shall defend, indemnify and hold harmless any agent against any claim arising out of any alleged or actual action or inaction in the performance of duties performed in good faith on the Association's behalf. "Agent" for this purpose shall include representatives, Directors, officers and employees.
- 9.02 *Insurance.* The Association may purchase and maintain insurance to the full extent permitted by the law on behalf of its agents against any liability asserted against or incurred by the agent in such capacity arising out of the agent's status as such.

**ARTICLE X**

**Chapters**

- 10.01 *Chapters.* The Board may recognize chapters on such terms and conditions as it deems appropriate, which shall be included in an appropriate written agreement between the Association and the chapter addressing all significant aspects of the relationship.

## **ARTICLE XI**

### ***Fiscal Year***

- 11.01 *Fiscal Year.* The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December of each year.

## **ARTICLE XII**

### ***Amendment of Bylaws***

- 12.01 *Amendment of Bylaws.* These Bylaws may be amended by a majority vote of the Board, provided that certain amendments to the Bylaws specified in the California Nonprofit Corporation Law, including those that materially and adversely affect the rights of members or change the authorized number of Directors, must be approved by the members.

## **ARTICLE XIII**

### ***Interpretation***

- 13.01 *Interpretation.* These Bylaws constitute a written agreement between the Association and its members, Directors and officers. The Bylaws should be interpreted in connection with the California Nonprofit Corporation Law that supplements and controls these Bylaws.

## **ARTICLE XIV**

### ***Execution of Instruments***

- 14.01 *Execution of Instruments.* The Board of Directors, except as otherwise provided in these bylaws, may by resolution authorize any office, agent or employee of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, 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 monetarily for any purpose on in any amount.

## **ARTICLE XV**

### ***Prohibition against Sharing Corporate Profits and Assets***

- 15.01 *Prohibition against Sharing Corporate Profits and Assets.* No member, Director, Officer, employee, or other person connected with the Corporation, or any private individual, shall receive at any time of the net earning or pecuniary profit from the operations of the Corporation; and no such person or persons shall be entitled to share in the distribution of, and shall not receive any of the corporate assets on dissolution of the Corporation. All members, if any, of the Corporation shall be deemed to have expressly consented and agrees that, on such dissolution or winding up of the affairs of the Corporation, whether voluntarily or involuntarily, the assets of the Corporation, after all debts have been satisfied, the remaining in the hands of the Board of Directors, shall be distributed as required by the Articles of Incorporation of this Corporation and not otherwise.