

**BYLAWS  
OF  
MORTGAGE BANKERS ASSOCIATION OF MISSISSIPPI (MBAM)  
(a Mississippi Nonprofit Corporation)  
*As Amended May 8, 2008***

**ARTICLE I**

**Purpose**

**SECTION 1.** The purpose of the Mortgage Bankers Association of Mississippi (hereinafter referred to as the “Association” or the “Corporation”) shall be:

- A. To encourage sound, ethical business practices in the origination, marketing, and servicing of real estate loans.
- B. To sponsor meetings and seminars for the discussion of issues pertaining to the mortgage lending industry.
- C. To support and encourage the continued education of the personnel of the members of the Association.
- D. To sustain a public relations effort whereby the general public is informed of the impact that mortgage bankers have upon the state and its economy by providing funds for real estate financing.
- E. To inform the Association’s members of changes in laws and pending legislation, and to encourage, through members’ participation, sound and just legislation and case law affecting the mortgage lending industry.
- F. To promote the mortgage lending industry through an exchange of new and useful information among its members, other compatible organizations, and local, state and federal agencies.
- G. To perform any other worthwhile activity for the betterment of the mortgage banking industry in Mississippi.

**ARTICLE II**

## **Membership and Dues**

**SECTION 1.        Membership** - All applicants for membership shall have had a continuing business for at least two years immediately prior to the date of application for membership. This requirement may be waived at the discretion of the Board of Directors if the applicant, or the principals thereof, produces evidence of satisfactory experience in the type of mortgage or related business in which eligibility is to be established.

**SECTION 2.        Eligibility for Membership** - The membership of this Corporation shall be limited to the following:

- A. Business organizations and financial institutions that are regularly engaged in the State of Mississippi in the business of (a) originating real estate loans for others and for themselves for sale to others, and/or (b) servicing, or being financially responsible for servicing, such mortgage loans for others.
- B. Business organizations and financial institutions that are regularly engaged in the State of Mississippi in the business of investing in real estate mortgage loans and/or mortgage-backed securities.
- C. Business organizations whose principal business is that of a mortgage broker, which shall be defined to include organizations which do not service mortgage loans but act as brokers between originating mortgage loan correspondents and investors for the sale of mortgage loans, or who act as brokers between originating mortgage bankers and borrowers.
- D. Business organizations, financial institutions and individuals, other than mortgage brokers that are not eligible under Section 2 (A), (B), or (C) above, that regularly perform financial or other professional services for regular members.

**SECTION 3.        Admission to Membership** - Application for membership in the Association shall be in writing on the form prescribed by the Board of Directors. To be considered for membership, an applicant must be recommended for such membership by two

members of the Association who shall vouch for the applicant's good reputation and integrity or have been a sustaining member in the past.

Upon receipt of the Application and recommendations, together with the recommendations of the Ethics Chairperson, the matter will be presented to the Executive Committee of the Association, which shall approve or disapprove the application. If approved, the Board of Directors will be advised of such approval no later than the 20th day of the month in which the Executive Committee takes such action. If the Association does not receive a written objection to membership from a member of the Association prior to the first day of the following month, the applicant shall become a member as of that date. If such a written objection is received, the matter shall then be considered by the Board of Directors where the applicant must receive a two-thirds (2/3) affirmative vote of the Directors then present to be admitted as a member.

No applicant who has been rejected for membership shall again be considered for membership within one year from the date of the rejection. All members of the association under its prior bylaws shall be deemed accepted for membership unless a written objection is received. In such a case the procedures for review will be implemented.

**SECTION 4. Dues of Members** - Membership dues shall be as established by the Board of Directors and may be changed at any meeting by a two-thirds (2/3) vote of the entire Board of Directors to be effective not less than thirty (30) days after the change is approved. Dues shall be payable in advance at the beginning of the fiscal year of the Association. **Pro-ration** - Dues for new members or applicants shall be prorated from the date of acceptance into membership to the end of the fiscal year. The minimum pro-ration shall be for one quarter. **Delinquencies** - If the dues of any member remain unpaid for a period of 60 days after the same shall have become payable, the Treasurer of the Association shall mail a notice of delinquency. If the dues of any member are not paid within 30 days after the mailing of such notice of delinquency, such membership shall automatically terminate on that date by reason of such nonpayment. **Reinstatement** - Any member who

has forfeited their membership for nonpayment 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 terms and conditions as the Board of Directors shall require.

**SECTION 5. Termination of Membership and Failure to Pay Dues** - Any member who ceases to be eligible for membership shall be immediately dropped from the membership in the Association. Any member failing to pay membership dues within the time prescribed by the Board of Directors shall be dropped from membership immediately.

**SECTION 6. Revocation of Membership** - Any member may be dropped from membership by the Board of Directors upon a vote of three-fourths (3/4) of the Board of Directors present and voting at a meeting duly called for that purpose and upon ten (10) days' written notice to the member sought to be terminated. A member whose membership is sought to be terminated shall be given an opportunity to be heard before the Board of Directors prior to termination of its membership. If membership is terminated by a vote of the Board of Directors, the former member will not be eligible to reapply for membership for a period of two years from the date the membership was terminated.

Matters that may be considered as grounds for the termination of membership shall include, but not be limited to, a violation of the Code of Ethics of the Association, a violation of the code of ethics or ethical standards of a business or profession other than mortgage lending in which the member is engaged, and/or any action by a member which shall bring discredit to the Association or the mortgage lending industry.

### **ARTICLE III**

#### **Fiscal Matters**

**SECTION 1. Fiscal Year** - The fiscal year of the Corporation shall commence January 1st and end December 31st.

**SECTION 2. Audit** - The Board of Directors may cause an audit to be made annually of the Financial Books and Records of the Corporation.

**SECTION 3. Bonds** - All Officers of the Corporation may be covered by one or more fidelity bonds in amounts and with sureties approved by the Board of Directors.

## **ARTICLE IV**

### **Board of Directors**

**SECTION 1. Membership** - The Board of Directors of the Association shall consist of the following persons: Four Officers, Four Directors, the First Officers of the Local Chapters as voting members, and the Immediate Past President and the Executive Director as non-voting members.

- A. **Mortgage Lending Companies** - Four representatives from Mortgage Lending Companies who are members of the Mortgage Bankers Association of Mississippi elected by the membership at annual meetings whose terms shall be for two years with elections being held every other year. No more than one member who is not a representative from a mortgage lending company may serve as an Officer at any given time and is not to include the office of President. As used herein, "Mortgage Lending Company" shall mean a business entity in which a substantial part of its business is the originating and/or servicing of real estate mortgage loans. For purposes of this paragraph, a representative of a Mortgage Lending Company shall be and include a person who is actively engaged in the mortgage-lending portion of the respective company's operation. No more than two representatives serving at any one time shall be current employees of the same Mortgage Lending Company.
- B. **Other Members** - Four representatives from members of the Mortgage Bankers Association of Mississippi, who may or may not be from Mortgage Lending Companies, elected by the membership at the annual meeting as members of the Board of Directors, whose terms shall be for two years with elections held every other year.
- C. The following officers shall be elected as outlined in Section VI and include the following positions: President, Vice-President, Treasurer and Secretary. The

following Directors shall be elected: Director of Commercial Banks, Director of Mortgage Bankers, Director of Mortgage Brokers, and Director of Non-Banking Members.

D. Chapter Members - The First Officers elected by the membership of the various local chapters. Local Chapters shall vote on the First and Second Officers after the election at the annual meeting of the Officers and Directors.

E. Executive Director/Immediate Past President - The Executive Director and Immediate Past President of the Association shall be ex-officio members of the Board of Directors without voting rights.

**SECTION 2. Vacancies** - Vacancies on the Board of Directors occurring prior to the annual meeting shall be filled by the President. The newly appointed Director will serve out the term of the Director replaced, and shall be a Mortgage Lending Company member if the vacancy was held by such a person, and a Chapter member if the vacancy was held by such a person, subject to the appointment being ratified at the next annual meeting by the membership unless the term has expired. In the event a Chapter Director position is vacated, the new appointee shall also serve as the Officer in the position of his or her predecessor, in the Chapter Leadership body. All Directors and Officers shall hold office until their successors are elected; provided, however, absences unexcused by the President for two consecutive regular Board meetings shall be grounds for terminating membership on the Board of Directors and create a vacancy to be filled as provided herein.

**SECTION 3. Board Vacancies** - When an Officer or Board Member ceases to be employed by a qualifying member of the Mortgage Bankers Association of Mississippi, the Board of Directors may declare a vacancy in such position, which vacancy shall then be filled in accordance with these Bylaws. Upon adoption of these bylaws, the Board is declared vacant and a motion shall be recognized by a past president to authorize a slate of officers and directors to fill every slot but the Chapter President slots and a vote shall be had by the

members of the association at the meeting to fill those seats until the next annual meeting. Each local chapter may vote immediately thereafter on its Chapter officers.

**SECTION 4. Authority of the Board of Directors** - The Board of Directors of the Corporation shall have the duty and power to control and manage all of the affairs of the Corporation. The action of the Board of Directors shall be final and shall not require the approval of the membership of the Association to be valid.

**SECTION 5. Business Sessions** - The Board of Directors of the Association will meet every other month in a business session. A quorum shall be not less than one-third (1/3) of the Directors of the Association. The President shall preside at all Board meetings and general meetings of the Association. The President of the Association shall not be entitled to vote at any business session except that the President shall cast the deciding vote in the event of a tie during a vote on any matter being voted on by the Directors at a business session.

General meetings, which are open to all active members of the Association and their staffs, will be held as determined by the Board of Directors. Unless otherwise provided by the Board as a different schedule, the open meetings will be held at the Jackson Chapter luncheons once a quarter or upon invitation from another local chapter meeting. These meetings will be of a luncheon or dinner type, with an extremely short business session with a speaker or panel, or meeting in conjunction with some other like organization.

## ARTICLE V

### Executive Director and Employees

**SECTION 1. Authority to Hire** - The Board of Directors vests authority in the Executive Committee of the Association to hire an Executive Director of the Association for such term as the Executive Committee determines necessary. The Executive Director shall serve at the will of the Executive Committee.

**SECTION 2. Executive Director** - The Executive Director shall perform all duties incident to the office as determined by the Executive Committee. The Executive Director

shall recommend to the Executive Committee such action as will increase the Association's effectiveness. The Executive Director shall have the authority to hire and fire all other employees of the Association. The Executive Director shall be principally responsible for performing the day-to-day business operations of the Association. All other employees of the Association shall report to the Executive Director. The Executive Director shall attend the meetings of the Executive Committee and the Board of Directors but shall not have a vote on any matters before the Executive Committee or the Board.

**SECTION 3. Removal of Employees-** The Executive Committee may remove the Executive Director, whenever, in its judgment, a removal would serve the best interests of the Association. The Executive Director shall have the authority to remove any other employee of the Association, whenever, in the Executive Director's judgment, a removal would serve the best interests of the Association.

**SECTION 4. Compensation -** The Executive Committee shall set the compensation rate of the Executive Director. The Executive Director shall set the compensation rate of all other employees, subject to annual review by the Executive Committee.

## **ARTICLE VI**

### **Officers and Directors**

**SECTION 1. Officers and Directors -** Four Officers shall be elected by the General Members at the annual membership meeting: a President, a Vice President, a Treasurer, and a Secretary, whose election shall automatically make them Members of the Board. As a prerequisite to holding such offices, at least three of them must be employed by a Mortgage Lending Company that is a member of the Association, and at least three shall have served on the Board of Directors during the immediate preceding year. Four Directors shall be elected by the General Members at the annual membership meeting as described in Section IV: Director of Commercial Banks, Director of Mortgage Bankers, Director of Mortgage Brokers, and Director of Non-Banking Members. Additionally, the First Officers of

the three local chapters shall serve as voting members of the Board of Directors and the Immediate Past President and Executive Director shall serve as non-voting members.

**SECTION 2. Authority** - The President shall preside at all Board meetings and general meetings of the Corporation and shall be an ex-officio member of all committees. Upon approval by the Board of Directors, the President shall have the authority, with the Treasurer, to enter into and sign all written contracts and obligations of the Corporation. The President may, in his or her sole discretion, delegate to the Executive Director the authority to enter into and sign all written contracts and obligations.

In the absence of the President, the Vice President shall assume the duties of the office of President and such other duties as the Board of Directors shall prescribe.

The Treasurer shall keep a record of the proceedings of the Corporation and of the Board of Directors and shall have charge of all books and accounts of records and correspondence. He or she shall collect all monies due the Corporation and disburse the same with the approval of the Board of Directors. He or she will make an annual report to the Board of Directors accounting for all monies received and disbursed, and shall file all required reports and documents with the Mississippi Secretary of State and the Internal Revenue Service.

The Secretary shall preside over the Ethics and Fraud Committee as Chairperson of that committee and as such shall be responsible for monitoring written complaints received by the Association. As Chairperson of the Ethics and Consumer Relations Committee, the Secretary shall also preside over consumer relations and monitor the activities of the Consumer Help Line, a sub-committee of the Ethics and Consumer Relations Committee.

## **ARTICLE VII**

### **Committees**

**SECTION 1. Committees** - Standing Committees of the Association shall be established by the Board of Directors. Unless a committee of the Association adopts operating

rules providing for the election of Officers, the President of the Association shall annually appoint the President of each committee of the Association.

The President of the Association may appoint any such ad hoc or special committees as he or she feels necessary and as approved by the Board of Directors, and shall appoint the membership of such additional committees as he or she may deem necessary, as approved by the Board of Directors.

The initial committees shall be as follows: Ethics and Fraud, Philanthropy, Convention, Continuing Education, and Government Affairs.

The President shall be an ex-officio member of all committees.

**SECTION 2. Executive Committee** – The Executive Committee shall consist of the Association’s Officers. The Executive Director and General Counsel shall be non-voting members of the Executive Committee. The Executive Committee shall, during intervals between meetings of the Board, possess and exercise all functions of the Board, subject to final action by the Board.

**SECTION 3. Nominating Committee** - A nominating committee consisting of the immediate Past President, Executive Director, and up to three members from the membership shall meet at least thirty days in advance of the annual meeting and, except with respect to Chapter Directors as set forth in Article VIII below, select the slate of Directors to be recommended for the next ensuing term. The Treasurer shall give written notice to all members of the recommended slate of Directors and notice of the annual meeting not less than twenty days prior to said meeting. Any active member in good standing may nominate other candidates for directorship at the annual meeting, provided that written notice, which may be in electronic format, of the names of the candidates and the intent to nominate is received by the Treasurer not less than seven days prior to said meeting. Initial Officers and Directors shall be voted on as described in Sections IV and VI.

## **ARTICLE VIII**

### **Chapters**

MBAM BYLAWS

MAY 8, 2008

PAGE 10 OF 21

**SECTION 1. Chapter Organization** - Association members whose principle place of business is located outside of the Jackson metropolitan area, as defined by the Board of Directors, shall be organized into Chapters for purposes of conducting Association business and electing the Directors to the Association Board of Directors. The Chapters shall be organized by geographic region and are described on Exhibit 1 attached hereto. The Board of Directors shall have full power and discretion to organize, empower, and eliminate this Chapter form of representation. The Board may, at its discretion, develop procedures and guidelines for the governance and operation of the Chapter Leadership Body as defined in Section 3 below.

**SECTION 2. Chapter Membership** - Membership in a Chapter is subject to the same standards and procedures as any other membership in the Association. Except as otherwise provided herein, the members of a Chapter shall be full members of the Association with the same rights and subject to the same duties as other Association members, including, without limitation, the payment of dues and the observance of ethical standards required for membership.

**SECTION 3. Chapter Elections** - At such time as the general membership resolves to organize a Chapter, the members of each Chapter, with the assistance of the Executive Director, shall elect two officers to conduct Chapter business. These officers shall be known as the Chapter Leadership Body, and shall be designated First and Second Officers. The First Officer shall serve as a Director on the Association's Board of Directors, as provided in Article IV, Section 1(C), subject to the same standards as other elected Directors.

**SECTION 4. Annual Election** - In each year, and in advance of the annual meeting of the Association membership, the Chapter membership shall elect a new Second Officer. The Chapter Leadership Body shall act as a nominating committee for this election and shall conduct such elections. Chapter members may also submit nominees to the Chapter Leadership Body. The Chapter Leadership Body shall deliver the results of such elections to the Treasurer no later than July 1 of each year. The Treasurer shall deliver the nominations

to the Executive Committee. Should the Chapter Leadership Body fail to provide nominations and/or conduct said annual elections, the Executive Committee may, at its discretion, appoint and/or nominate Chapter members to fill such vacancies. At the annual membership meeting, the First Officer and Second Officers of each Chapter shall be installed. The new First Officer shall serve as a Director on the Board of Directors, subject to the same standards as other elected Directors.

**SECTION 5. Committees** - The Chapter Leadership Body shall establish committees and a Chair of each committee, as they deem necessary and in the best interest of the Chapter.

**SECTION 6. Programs** - All educational, fundraising, and membership recruitment efforts, as well as all conferences and seminars, undertaken by a Chapter shall be coordinated with the Executive Director in terms of content, site, participants, funding, and pricing. All such programs must receive the prior approval of the Executive Director. Funding for all approved events shall be provided by the Association and shall be subject to the same standards and procedures applicable to other similar Association activities.

**SECTION 7. Meetings** - Chapter Leadership Bodies shall hold periodic meetings of their officers and committees. One officer and three appointed committee chairpersons shall constitute a quorum. The vote of a majority of the members present at a meeting at which a quorum is present shall constitute valid action by a Chapter Leadership Body. At the conclusion of any meeting of the Chapter Leadership Body, the Chapter Leadership Body shall deliver a copy of the minutes of the meeting to the Association Treasurer.

## **ARTICLE IX**

### **Meetings of the Membership**

**SECTION 1. Annual Meeting** - The annual meeting of the membership will be held each year, at a time and place designated by the Board of Directors. Each member of the Association shall be entitled to one vote at all membership meetings. Any voting delegate

chosen to vote in the place of a member shall be designated in writing by the member. All voting delegates shall furnish proper credentials, if so requested by the Treasurer.

## **ARTICLE X**

### **Not-For-Profit Organization**

**SECTION 1. Organization** - This Corporation is organized and shall operate as a not-for-profit organization. Any income received shall be applied only to the nonprofit purposes and objectives of the Corporation, and no part of the income shall inure to the benefit of any officer or member.

## **ARTICLE XI**

### **Indemnification**

**SECTION 1. Definitions** - As used in this Article XI:

- A. "Corporation" includes any domestic or foreign predecessor entity of the Corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.
- B. "Director" means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving at the Association's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or not-for-profit corporation, any partnership, joint venture, trust, employee benefit plan or other enterprise. A director shall be considered to be serving an employee benefit plan at the Association's request if the director's duties to the Association also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.
- C. "Expenses" includes, but is not limited to, attorney fees.

- D. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expense actually incurred with respect to a proceeding.
- E. "Officer" means an individual who holds or has held any of the offices described above in Article VI, as well as any individual who held the offices described in Article IV, Section 3 of the prior version of the Association's Bylaws.
- F. "Official Capacity" means: (i) when used with respect to a director, the office of director in the Association, and, (ii) when used with respect to a person other than a director, the office in the Association held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Association. "Official capacity" does not include service for any other foreign or domestic corporation or not-for-profit corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise.
- G. "Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.
- H. "Executive Director" means any individual hired to serve as the Executive Director of the Corporation pursuant to Article V above.
- I. "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

**SECTION 2. Permissive Indemnification of Executive Director, Officers and Directors** - Except as provided in Section 4 of this Article XI, the Association may indemnify an individual made a party to a proceeding because the individual is or was the Executive Director, or an Officer or Director of the Corporation against liability incurred in any proceeding if the individual:

- A. Conducted himself or herself in good faith; and

- B. Reasonably believed: (i) in the case of conduct, in his or her official capacity with the Corporation, that his or her conduct was in the Corporation's best interest; and (ii) in all other cases, that his or her conduct was at least not opposed to the Corporation's best interests; and
- C. In the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

A Executive Director, Officer, or Director's conduct with respect to an employee benefit plan for a purpose the Executive Director or Officer or Director reasonably believed to be in the interests of the participants and beneficiaries of the plan shall be deemed to be conduct which is not opposed to the Corporation's best interests for purposes of this Section 2.

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, in and of itself, be determinative that the Executive Director, Officer or Director did not meet the standard of conduct set forth in this Section 2.

Indemnification permitted under this Section 2 in connection with a proceeding by or in the right of the Corporation shall be limited to reasonable expenses incurred in connection with the proceeding.

**SECTION 3. Mandatory Indemnification of Executive Director, Officers and Directors** - Unless limited by the Articles of Incorporation, the Corporation shall indemnify a Executive Director, Officer or Director who was wholly successful, on the merits or otherwise, in defense of any proceeding to which the Executive Director, Officer or Director was a party because he or she is or was the Executive Director or an Officer or Director of the Corporation against reasonable expenses incurred by the Executive Director, Officer or Director in connection with the proceeding.

**SECTION 4. Prohibited Indemnification of Executive Director, Officers and Directors** - The Corporation may not indemnify the Executive Director or an Officer or Director under Section 2 of this Article XI:

- A. In connection with a proceeding by or in the right of the Corporation in which the Executive Director, Officer or Director was adjudged liable to the Corporation.
- B. In connection with any other proceeding charging improper personal benefit to the Executive Director, Officer or Director, whether or not involving action in his or her official capacity, in which the Executive Director, Officer or Director was adjudged liable on the basis that personal benefit was improperly received by the Executive Director, Officer or Director.

**SECTION 5. Authority for Permissive Indemnification of Executive**

**Director, Officers and Directors** - The Corporation may not indemnify the Executive Director or an Officer or Director under Section 2 of this Article XI unless authorized in the specific case after a determination has been made that indemnification of the Executive Director, Officer or Director is permissible in the circumstances because the Executive Director, Officer or Director has met the standard of conduct set forth in Section 2 of the Article XI. The determination required to be made by this Section 5 shall be made:

- A. By the Board of Directors by a majority vote of a quorum consisting of directors not at the time parties to the proceeding.
- B. If a quorum cannot be obtained, by majority vote of a committee of the Board of Directors designated by the Board of Directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding.
- C. By special legal counsel: (i) selected by the Board of Directors or its committee in the manner specified in Subsections A and B of this Section 5; or (ii) if a quorum of the Board of Directors cannot be obtained and a committee cannot be designated, selected by a majority vote of the full Board of Directors (in which designation directors who are parties may participate).

Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except

that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by the body that selected said counsel.

**SECTION 6. Advances of Expenses** - The Corporation may pay for or reimburse the reasonable expenses incurred by the Executive Director or an Officer or Director who is a party to a proceeding in advance of the final disposition of the proceeding if:

- A. The Executive Director, Officer or Director furnishes the Corporation with a written affirmation of his or her good faith belief that he or she has met the standard of conduct described in Subsection A of Section 2 of this Article IX.
- B. The Executive Director, Officer or Director furnishes the Corporation with a written undertaking, executed personally or in the Executive Director, Officer or Director's behalf, to repay the advance if it is ultimately determined that the Executive Director, Officer or Director did not meet the standard of conduct.
- C. A determination is made that the facts then known to those making the determination would not preclude indemnification under this Section 6. The undertaking required by Subsection B of this Section 6 shall be an unlimited general obligation of the Executive Director, Officer or Director, but need not be secured and may be accepted without reference to financial ability to make repayment.

Determinations and authorizations of payments under this Section 6 shall be made in the manner specified in Section 5.

**SECTION 7. Indemnification of Employees and Agents** - The Corporation shall have the following powers and duties of indemnification with respect to employees other than the Executive Director, and agents:

- A. The Corporation may indemnify and advance expenses pursuant to Section 6 of this Article XI to an employee or agent of the Corporation who is not the Executive Director or an Officer or Director to the same extent as the Executive Director or an Officer or Director.

B. The Corporation may indemnify and advance expenses to an employee or agent of the Corporation who is not the Executive Director or an Officer or Director to the extent, consistent with public policy, that may be provided by the Articles of Incorporation, these Bylaws, general or specific action of the Board of Directors, or contract.

**SECTION 8. Liability Insurance** - The Corporation may purchase and maintain insurance on behalf of a person who is or was the Executive Director, or a director, officer, employee, or agent of the Corporation or who, while the Executive Director, or a director, officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation as the Executive Director, or a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or not-for-profit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against liability asserted against or incurred by him or her in that capacity or arising from his or her status as such, whether or not the Corporation would have the power to indemnify the person against the same liability under the provisions of this Article XI. Any such insurance may be procured from any insurance company designated by the Board of Directors of the Corporation, whether such insurance company is formed under the laws of Mississippi or any other jurisdiction of the United States, including any insurance company in which the Corporation has equity or any other interest, through stock ownership or otherwise.

**SECTION 9. Rights, Powers, and Duties Not Exclusive** - The indemnification provided by this Article XI shall not be construed to limit any other rights of indemnification to which the Executive Director, directors, officers, employees and agents of the Corporation may be entitled under the laws of the State of Mississippi; nor shall the indemnification provided by this Article XI be construed to limit any other of the Corporation's power to indemnify its Executive Director, directors, officers, employees and agents as may be provided by the laws of the State of Mississippi.

## **ARTICLE XII**

**MBAM BYLAWS**

**MAY 8, 2008**

**PAGE 18 OF 21**

**Actions Not Constituting an Assumption of Duty - Board Member Immunity**

**SECTION 1.** No member of the Board of Directors shall be held liable for actions taken or omissions made in the performance of his or her duties as a board member except for wanton and willful acts or omission.

**ARTICLE XIII**

**Limitations on Personal Liability of Executive Director, Officers or Directors  
for Torts of Employees**

**SECTION 1.** No Executive Director, Officer or Director of the Corporation shall be personally liable for any injury to person or property arising out of a tort committed by an employee unless such Executive Director, Officer or Director was personally involved in the situation giving rise to the litigation or unless such Executive Director, Officer or Director committed a criminal offense. The protection afforded in this Section shall not restrict other common law protections and rights that a Executive Director, Officer or Director may have. This Section shall not restrict the Corporation's right to eliminate or limit the personal liability of the Executive Director or an Officer or Director to the Corporation for monetary damages for breach of fiduciary duty as the Executive Director or an Officer or Director.

**ARTICLE XIV**

**Amendments**

**SECTION 1.** These Bylaws may be amended or revised at any regular meeting of the Board of Directors of the Corporation, upon approval of two-thirds of the Board of Directors.

**ARTICLE XV**

**Dissolution**

**SECTION 1.** In the event of dissolution, all funds of the Corporation shall be given to tax exempt organizations or charitable organizations as determined by the Corporation.

The above Bylaws of the Association were approved by a vote of at least two-thirds (2/3) of the entire Board of Directors, the requisite number of votes required for to approve the Bylaws of the Association, at a meeting of the Board of Directors held on **May 8, 2008**.

MORTGAGE BANKERS ASSOCIATION OF MISSISSIPPI

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT 1

The organization of the chapters on a non-exclusive basis shall be as each member chooses on its membership card each year:

Tenn-Tom Regional Chapter, Jackson Regional Chapter, Pine Belt Regional Chapter, Gulf Coast Regional Chapter.