

**BY-LAWS  
OF  
NATIONAL MARINE LENDERS ASSOCIATION, INC.**

**ARTICLE I**

**Name and Location**

**Section 1.** The name of this Corporation shall be the National Marine Lenders Association, Inc. (hereinafter called "the Association"). The principal office of the Association shall be located at 231 S. LaSalle Street, Suite 2050, Chicago, Illinois 60604, or at such other location as may from time to time be determined by the Board of Directors. The books and records of the Association shall be kept at the Association's principal place of business.

**Section 2.** The Association shall be organized as a nonprofit corporation in the State of Illinois and shall perform all actions necessary to qualify to act in any other state where required by law.

**ARTICLE II**

**Purpose**

The purposes of the Association shall be:

- a. To promote lending or the extension of credit to consumers for the purpose of purchasing recreational boats, boat motors, boat trailers, and associated equipment.
- b. To promote lending or extension of credit to retail sellers of recreational boats, boat motors, boat trailers, and associated equipment for floorplanning and other purposes.
- c. To provide a forum whereby marine lending institutions can exchange information useful to the development of sound recreational boating loan programs.
- d. To act as a liaison between marine lending institutions in the recreational marine loan field and the boating public and industry.

## ARTICLE III

### Membership

**Section 1. Classes of Members.** The Association shall have the following classes of membership:

a. Regular Member.

This class of membership shall consist of any bank, savings institution or credit union or financial service company and the charter members of the Association specified each year in the annual report ("Regular Member"). Any employee of such bank, savings institution, credit union or financial services company may be the authorized representative of the Regular Member, provided said employee is actively engaged in marine finance.

b. Associate Member.

This class of membership shall consist of any business entity, corporation or limited liability company, organized and located in the United States, whose principal business is in the following maritime fields ("Associate Member"):

1. Marine documentation services;
2. Marine liquidators;
3. Marine insurance agencies and/or companies;
4. Marine surveyors;
5. Marine industry associations;
6. Marine finance software and value publications;
7. Marine and admiralty attorneys;
8. Marine finance industry consultants; and
9. Others who in the unanimous opinion of the Board of Directors are engaged in service to the marine industry, but who otherwise do not qualify as a Regular or Associate Member.

Any employee of such entity may be the authorized representative of the Associate Member, provided said employee is actively engaged in the marine industry. Any bank, savings institution, credit union or financial service company who qualifies as a Regular Member shall not qualify as an Associate Member.

c. Membership Definition.

Regular Members and Associate Members are collectively referred to herein as "Members"

**Section 2. Application.** Application for membership in the Association shall be made in writing to the principal office of the Association. The application, accompanied by an annual dues payment and initiation fee, shall be signed by the applicant and shall include an agreement by the applicant to abide by the By-Laws of the Association and to participate in the exchange of such information for the development of sound recreational boating loan programs as may be reasonably determined from time to time by the Board of Directors of this Association. The application shall include a sponsor from the Board of Directors and a reference from a Regular Member or an authorized representative of a Regular Member.

**Section 3. Voting Limitations.** More than one employee from the Member may attend the meetings of the Association, but each Member shall be entitled to only one vote provided said vote is cast by the authorized representative of the Member as reflected in the records of the Association. Regular Members may vote on all matters to come before or to be considered by the Members. Associate Members may vote for an Associate Director (as defined below), but shall not otherwise have a right to vote on any matters to come before or to be considered by the Members.

**Section 4. Election of Members.** The President shall appoint a Membership Investigation Committee consisting of Members, at least one (1) of whom shall be a member of the Board of Directors. This Committee shall review all membership applications and submit their recommendations to the Board of Directors. In the event that this Committee recommends an applicant for membership, a majority vote of the Board of Directors shall be required for acceptance of the applicant into membership, except that a unanimous vote of the Board of Directors shall be required for acceptance of an Associate Member under Section 1(b)(9) above. In the event that this Committee does not recommend an applicant for membership, the Board of Directors by action of two-thirds (2/3) of its members present at a Regular or Special Meeting of the Board may accept such application notwithstanding the recommendation of the Committee, except that a unanimous vote of the Board of Directors shall be required for acceptance of an Associate Member under Section 1(b)(9) above. The decision of the Board of Directors concerning membership is final. In the event an applicant is not accepted for membership, the applicant may re-apply at any time, provided more than one (1) year has elapsed since the decision of the Board of Directors to not accept said applicant.

**Section 5. Suspension or Termination of Membership.** A Member may request the suspension or termination of another Member for cause by filing written allegations against said Member with the Board of Directors. A Committee consisting of at least three (3) Members appointed by the Board of Directors shall review any such written request. After reviewing the alleged charges, the Committee shall report to the Board of Directors its findings and recommendations as to the suspension or termination of membership or dismissal of said charges. In the event that the Committee recommends suspension or termination, the Member in question shall have the right to appear before the Board of Directors to defend itself and answer the alleged charges and if the Member so desires, it may be represented by counsel at such hearing before the Board. Suspension or termination shall require a two-thirds (2/3) vote of the Board

of Directors present at a Regular or Special Meeting of the Board of Directors and suspension or termination shall become effective immediately upon the giving of written notice to the suspended or terminated Member. In the event that the Committee recommends dismissal of the alleged charges, a unanimous vote of the Board of Directors then shall be required for suspension or termination of membership notwithstanding the recommendation of the Committee. The decision of the Board of Directors concerning suspension or termination of membership or dismissal of said charges shall be final.

**Section 6. Resignation.** Any Member may resign by filing a written resignation with the Secretary, which resignation shall not relieve it of any past obligations, economic or otherwise, and no resignation shall be effective until it is received in writing at the office of the Association.

**Section 7. Reinstatement.** If a former Member, not previously suspended or terminated pursuant to Section 5 of this Article, shall request reinstatement, its request shall be presented to the Board of Directors for approval and its reinstatement shall be subject to all applicable provisions of these By-Laws. A Member previously suspended or terminated pursuant to Section 5 of this Article may not seek reinstatement until more than two (2) years following the suspension or termination. Thereafter, a previously suspended or terminated Member may request reinstatement as set forth above. Unless waived by the Board of Directors, a reinstated Member shall be responsible for all dues and assessments applicable to a new Member.

**Section 8. Prohibition Against Transfer.** Except as otherwise provided in this Article, membership in this Association is not transferable or assignable.

## ARTICLE IV

### Dues and Assessments

**Section 1. Determination.** Dues and assessments shall be determined and set by the Board of Directors.

**Section 2. Non-Payment of Dues.** If a Member is delinquent in the payment of dues, assessments, or any indebtedness owing to the Association, and if said delinquency continues for a period of sixty (60) days after notice thereof, the Member shall be suspended from all privileges of Membership and the Association shall be entitled to institute legal proceedings to collect any delinquency including reasonable attorney's fees. If said delinquency continues for a period of ninety (90) days after notice thereof, the Membership shall automatically terminate. Any Member so terminated must apply as a new Member to be reinstated and shall pay all amounts owing to the Association, including all delinquent dues.

## ARTICLE V

### Officers

**Section 1. Designation.** The officers of the Association shall be a President, Vice President, a Secretary, and a Treasurer. The Board of Directors may elect or appoint such other officers, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers as it shall deem advisable, such officers to have the authority to perform the duties prescribed, from time to time, by the Board of Directors.

**Section 2. Election.** Officers shall be elected by the Board of Directors at the first Board meeting following the Annual Meeting for a term of one (1) year and shall hold office until their successors have been elected or appointed. Their term of office shall commence at the close of the Board meeting at which elected. No Member may hold more than one office at any one time. Nominations for the Officer positions shall be in accordance with Article VII, Section 5.

**Section 3. Terms of Office.** No officers of this Association shall be elected for more than two (2) consecutive terms for any one office, except that the Board of Directors, by vote of at least 80% of the Directors, may extend the term of office of any officer.

**Section 4. Removal.** Any officer, elected or appointed, may be removed by the Board of Directors whenever, in the sole judgment of the Board, the best interest of the Association would be served by such a removal. Removal of any officer shall be without prejudice to the contracting rights, if any, of the officer so removed. Suspension or termination of a Member for cause as described in Article III, Section 5 of these By-Laws shall automatically terminate the authorized representative of such Member as an officer of this Association.

**Section 5. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

## ARTICLE VI

### Duties of Officers

**Section 1. President.** The President shall preside at all meetings of the Members and of the Board of Directors, and at all times have general direction of the affairs of the organization.

**Section 2. Vice President.** In the event of the absence, inability, or refusal of the President to perform his duties, the Vice President shall perform the duties of, and have the same authority as, the President. The Vice President shall perform such other duties as are assigned to him by the Board of Directors.

**Section 3. Secretary.** The Secretary shall attend all meetings of the Members and of the Board of Directors. He shall record all votes and minutes of all the proceedings in a book to be kept for that purpose. He shall send notices of all meetings and perform such other duties as may be prescribed by the President or the Board of Directors, under whose supervision he shall be. He shall be the custodian of the corporate seal, the minutes and of all books and records of the Association except as may be otherwise provided.

**Section 4. Treasurer.** The Treasurer, under the direction of the Board of Directors, shall have charge of the funds of the Association. He shall receive and deposit the same in the name of the Association in depositories designated by the Board of Directors, subject to withdrawal by check in such manner as may be approved by the Board of Directors. He shall make a complete and accurate report of the finances of the Association at each meeting of the Association and at any other time upon request from the Board of Directors.

**Section 5. Immediate Past President.** The Immediate Past President shall be defined as the individual whose term as president has most recently expired without reelection. The Immediate Past President, if a member of the Board of Directors (other than a Director Emeritus) during his or her immediately preceding term as President, shall serve as a voting member of the Board of Directors when his or her Board membership has otherwise expired.

## ARTICLE VII

### Board of Directors

**Section 1. Constitution of Board.** The Board of Directors shall consist of (i) eight (8) Directors elected by the Regular Members ("Regular Directors"); (ii) the Immediate Past President, when not otherwise a member of the Board and provided he or she was a member of the Board of Directors (other than a Director Emeritus) during his or her immediately preceding term as President; (iii) one director elected by the Associate Members ("Associate Director"); and (iv) each Director Emeritus. Directors need not be Members of the Association as a condition precedent to election or appointment, except that the Associate Director must be a representative of an Associate Member. In the event that, during his or her term as a director, an Associate Director is no longer an authorized representative of an Associate Member, the Board of Directors may, in its sole discretion, terminate the term of the Associate Director and treat the termination of that term as a vacancy. In the event of a tie vote on any matter which comes before the Board of Directors, the President, when not otherwise a voting member of the Board of Directors, may vote on the matter in order to break the tie.

**Section 2. Term of Office.** Directors shall serve the terms of office as set forth in these By-Laws. Notwithstanding anything contained herein to the contrary, a Director may serve successive terms of office provided the Director is duly elected and

qualified. To facilitate continuity the Regular Directors shall be elected to a three (3) year staggered term in a sequence of 2, 3 and 3. The Associate Director shall be elected to a three (3) year term to coincide with the election of the two (2) Regular Directors identified in the election sequence above. The Board of Directors shall implement the initial division of the Board into groups by appropriate resolution.

**Section 3. Number of Directors.** The Board of Directors may be increased in number from time to time by amending these By-Laws.

**Section 4. Duties.** The affairs of the Association shall be managed by its Board of Directors who shall carry on the Association business between membership meetings.

**Section 5. Nomination Committee.** A Nomination Committee shall consist of the President, Immediate Past President and Executive Director (as defined below), if any, or, if there is no Executive Director, another person appointed by the Board of Directors. The Nominating Committee shall consider the qualifications for Board Membership and shall nominate at least one (1) candidate for each directorship to be filled. The Nominating Committee shall submit its slate of nominees to the Secretary for inclusion in the Notice of Annual Meeting. Other nominations for Regular Directors may be submitted in writing by the written petition of any two (2) Regular Members, in time to be received by the Secretary at least ten (10) days prior to the Annual Meeting. Other nominations for Associate Director may be submitted in writing by the written petition of any two (2) Associate Members, in time to be received by the Secretary at least ten (10) days prior to the Annual Meeting.

The Nominating Committee shall also nominate at least one (1) candidate for each officer position, which slate of candidates shall be submitted to the Board by the Nominating Committee at the first meeting of the Board following the Annual Meeting. Additional nominations for officer positions may be made at the meeting by any one director with a valid second.

**Section 6. Regular Meeting.** A Regular Meeting of the Board of Directors shall be held without notice other than that contained in this By-Law, at the same place as the annual Meeting of the Members of the Association. The Board of Directors may provide by resolution, the time and place for the holding of additional Regular Meetings.

**Section 7. Special Meetings of Board.** Special Meetings of the Board of Directors may be called by the President, or in his absence, inability or refusal to act, the Vice President or any two (2) members of the Board of Directors by serving written notice of said Special Meeting upon each of the remaining members of the Board of Directors and upon the registered office of the Association not less than five (5) calendar days nor more than twenty-one (21) calendar days before the date of such Special Meeting.

**Section 8. Absence from Meeting.** If a member of the Board of Directors is absent for two (2) meetings of the Board of Directors during his term, and such absence is unexcused, his duties shall cease immediately as a member of the Board and Officer and his successor shall be appointed as hereinafter provided. Absence from meetings shall be excused solely by action of the Board of Directors.

**Section 9. Majority Vote/Quorum.** The act of a majority of the voting Directors present at a Regular or Special Meeting at which a quorum is present, as "quorum" is defined in this Section, shall be the act of the Board of Directors unless the action of a greater number of Directors is required by law or elsewhere in these By-Laws. A quorum at any meeting of the Board of Directors shall consist of four (4) voting Directors.

**Section 10. Electronic Communication.** A member of the Board of Directors or of a committee may participate in a meeting by means of conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting.

**Section 11. Vacancy.** Any vacancy occurring on the Board of Directors may be filled by appointment by the remaining Board Members. A Director appointed to fill a vacancy shall serve for the unexpired term of his predecessor in office.

**Section 12. Compensation.** Compensation may be awarded to Members of the Board of Directors for reimbursement for out-of-pocket expenses incurred in the best interest of the Association or while on Association business. Said expenses must be submitted to the Association office on an expense voucher, the form of which is acceptable and approved by the Board of Directors. Any and all special fees and expenses paid to the Board of Directors shall be approved by a two-thirds (2/3) vote of the Board of Directors present at any Regular or Special Meeting. In addition, any and all expenses paid to the Directors individually or as a group shall be reviewed quarterly and appear as a separate category on the financial statements of this Association.

## **ARTICLE VIII**

### **Director Emeritus**

There shall be created the position of Director Emeritus, which shall originally be available to current directors who were both past president and a founding director (William Otto, Jackie Forese and Don Mattocks). Each qualified individual shall assume the role of Director Emeritus immediately upon resignation from the Board, failure to win re-election as a director, or expiration of any term as Director without further election. The Director Emeritus may, in perpetuity, attend all meetings of the Board of Directors and, may serve in a consulting, non-voting, capacity on all matters considered by the Board of Directors. The Director Emeritus may serve as an officer of the Association. Except during such time as a Director Emeritus serves as the President of the



Association, and only for the limited right to vote granted to the President in the event of a tie vote (Article VII, Section 1) , the Director Emeritus position is in all other cases non-voting. Except with respect to limitations on voting, the Director Emeritus shall enjoy all the rights and privileges afforded other members of the Board of Directors. Upon the death, resignation, removal, disqualification or otherwise of any of the three (3) qualified individuals or any replacement Emeritus Director, the Board of Directors may fill said vacancy by the appointment of an additional replacement Director Emeritus, who, except as set forth herein, shall enjoy all the privileges of the original Director Emeritus. A replacement Director Emeritus must have served as a past president of the Association and served on the Board for more than ten (10) years. A replacement Director Emeritus must be appointed by the affirmative vote of at least a majority of the entire Board of Directors at the time of the appointment. A replacement Director Emeritus may be nominated by the Nominations Committee or at a meeting of the Board of Directors by any one director with a valid second. The Association shall have a maximum of three (3) Director Emeritus at any time, but need not have any. Any replacement Director Emeritus may be removed by the affirmative vote of at least a majority of the entire Board of Directors at the time of the removal. Each appointed replacement Director Emeritus shall assume the role of replacement Director Emeritus immediately upon resignation from the Board, failure to win re-election as a director, or expiration of any term as Director without further election.

## **ARTICLE IX**

### **Offices and Staff**

**Section 1.** The Association shall maintain offices at 231 S. LaSalle Street, Suite 2050, Chicago, Illinois 60604 for all purposes.

**Section 2.** The day-to-day affairs of the Association may be conducted by an Executive Director who shall serve at the discretion and direction of the Officers and Directors of the Association (“Executive Director”).

## **ARTICLE X**

### **Membership Meetings**

**Section 1.** The Annual Meeting of the Association shall be held in the second half of the calendar year, the date and place to be determined by the Board of Directors on thirty (30) days' written notice to all Members. Special Meetings of the Members may be called by the Board of Directors to be held at a time and place to be designated by the Board, on appropriate notice to all Members.

**Section 2.** Each Member shall be entitled to one (1) vote.

**Section 3.** A quorum shall consist of thirty percent (30%) of all Members represented in person and by proxy and the favorable vote of at least a majority thereof

shall be necessary for the adoption of any matter voted upon by the Members. Where proxy statements are used, they shall be mailed to members not less than ten (10) days nor more than forty (40) days prior to any meeting.

## **ARTICLE XI**

### **Amendments**

These By-Laws may be amended at any meeting of the Members by a two-thirds (2/3) majority vote of the Members present and eligible to vote provided the quorum requirement of Article X, Section 3 is met and a notice indicating such purpose is included in the notice of the call of the said meeting mailed to each Member.

## **ARTICLE XII**

### **Notice**

**Section 1.** Any notice required to be given by these By-Laws, except as otherwise required by law, may be given by personal delivery, mail or facsimile transmission and such notice shall be deemed to be given at the time of such delivery, mailing or transmission. All notices may be sent to the Member or Director at their address as shown on the Association's records.

**Section 2.** Any notice required to be given by these By-Laws may be waived by the person entitled to such notice, whether before or after the time stated therein. Attendance at any meeting shall constitute a waiver of notice of such meeting, except where such attendance is for the express purpose of objecting that the meeting is not lawfully called.

## **ARTICLE XIII**

### **Indemnification of Board of Directors and Officers**

Each person who at any time is, or shall have been, a member of the Board of Directors or an Officer or Administrator of this Association and is threatened to be or is made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is, or was a member of the Board of Directors or Officer or Administrator or Agent of this Association or served at the request of the Association as a Director or Officer of another association, partnership, joint venture, trust or other enterprise, shall be indemnified against expenses (including reasonable attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any such action, suit or proceeding to the full extent permitted under Illinois law.

## **ARTICLE XIV**

### **Termination Clause**

Should this Association cease to exist, all fiduciary assets and other real or personal properties belonging to the Association which remain subsequent to the satisfaction of all properly incurred liabilities of the Association, shall be granted, deeded, or forwarded to a qualified non-profit organization related to the recreational marine industry.

### **ARTICLE XV**

#### **Fiscal Year**

The Fiscal Year of this Corporation shall be March 1 to February 28 (29).

### **ARTICLE XVI**

#### **Gender**

Whenever the masculine gender is used in these By-Laws, the same shall include the feminine and neuter genders.