

Arizona State Auctioneers Association By-Laws (Revised November 2009)

ARTICLE I Offices

The registered office of the corporation is within the state of Arizona. The corporation may establish other offices as may be determined by the Board of Directors.

ARTICLE II Membership

1. Qualification – Election.

Any auction industry professional who is honest, upright, worth of confidence, of good moral character, and recommended by a member, shall be eligible for membership in this Association, provided that he/she affirms, "I solemnly affirm that I will faithfully conform to the Articles of Incorporation, By-Laws, and Code of Ethics of the Arizona State Auctioneers Association, as the same may be amended from time to time." Members other than Honorary Members shall be confirmed by the Board of Directors. The Board of Directors may delegate its authority to act on membership applications to the President, Secretary, Association Manager or the Membership Committee.

2. Classifications & Dues

Individual Members other than Honorary Members, Associate Members and Vendor Members shall be set annually by a two-thirds (2/3rd)-majority vote of the Board of Directors and shall remain in effect for the entire calendar year.

a) Honorary Members

Honorary Membership may be granted by the Board of Directors to Members or non-Members in recognition of any outstanding service or actions within or without the auction industry. Honorary Members shall not be required to pay dues. Honorary Members may or may not be given voting privileges; while they are still actively involved in the auction industry. Honorary Membership is valid for one (1) calendar year.

b) Associate Members.

Associate Membership may be confirmed by the Board of Directors, or their designee, to any individual who is employed by an active member. Dues of Associate Members shall be set annually by a two-thirds (2/3rd)-majority vote of the Board of Directors and shall remain in effect for the entire calendar year.

c) Vendor Membership

Vendor Membership may be granted by the Board of Directors to an individual whom is In a business that provides goods and services to the auction industry and persons in the auction industry. Dues of Vendor Members shall be set annually by a two-thirds (2/3rd)-majority vote of the Board of Directors and shall remain in effect for the entire calendar year.

d) Life Membership

Life Membership may be granted by the Board of Directors to an individual in recognition of any outstanding service or actions within or without the auction industry. Lifetime Members shall not be required to pay dues. Life Members may or may not be given voting privileges; while they are still actively involved in the auction industry. Life Membership shall be valid for the natural lifetime of the individual whom has been granted this membership.

3. Vote

- a) Individual Members, so appointed Honorary Members and Life Members shall be entitled to one vote per issue in all meetings.
- b) Honorary Members and Life Members, not granted voting privileges, Associate Members and Vendor Members shall not be entitled to vote.
- c) Absentee votes may be allowed for; during any meeting at which items being voted on, have been so published in advance via email and posted on the Associations website. Absentee votes must be submitted to the Association Manager; via direct email, a minimum of 48 hours prior to the vote being conducted.

4. Annual Meeting

The annual meeting of Members shall be held during and at the same place as the annual convention of the Association, at such time and place as shall be designated in notice by email to all voting Members, or published as hereinafter provided, for the election of elective officers and Directors and for the transaction of such other business as may come before the meeting. If the election of officers and Directors shall not be held on the day designated herein for any annual meeting of Members, or at any adjournment thereof, or should such election not take place within sixteen (16) months following the last annual election, the Board of Directors shall cause the election to be held at a special meeting of Members as soon thereafter as conveniently may be.

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5. Special Meetings.

Special meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President at the request of two (2) or more Active Members.

6. Place of Meeting.

Any annual or special meeting may be held either within, or without, the State of Arizona. The place of meeting shall be designated in notice thereof.

7. Notice of Meeting.

Notices either emailed or posted on the Association website stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be emailed to each voting Member of the Association, posted to the Association website or published in a publication of the corporation, no less than ten (10) nor more than fifty (50) days before the date of the meeting. Such notice shall be deemed to be delivered when emailed to the complete membership email list, as provided by members, deposited in the United States mail, addressed to the Members at his/her address as it appears on the books of the corporation, with postage thereon prepaid.

8. Quorum.

- a) General Meetings. The Quorum for General Meetings shall be considered the number of Individual Members present at the General Meeting.
- b) Convention/Annual General Meeting shall be considered fifty-one percent of the Individual Members who are properly registered for attendance at the convention.

9. Termination of Membership.

a) Non-Payment of Dues

Should a Member fail to pay dues when due as specified by Association's billing therefore, the membership of such Member shall automatically terminate forthwith. Such membership may be automatically reinstated by payment of such delinquent dues and all subsequent dues made to the date of the Member's reinstatement, within one year following the first delinquency in payment: thereafter such Member shall be admitted only upon election as a new Member.

b) Resignation

Any Member may resign from the Association by delivering a written resignation to the President, Secretary or Association Manager of the Association.

c) Suspension; Reprimand; Expulsion

The Board of Directors by majority vote of those present at a duly called meeting at which a quorum is present; may suspend, reprimand, or expel any

Member considered guilty of unethical conduct, violation of the Code of Ethics of the Arizona State Auctioneers Association or for such other reason as the Board of Directors, in its sole discretion, deems that in interests of the corporation, the membership be terminated. The decision of the Board of Directors in such regard shall be final.

d) Appeal

Members subject to Suspension; Reprimand; Expulsion may either in person at a duly called meeting, by email or by mailed letter appeal to the Board of Directors for reconsideration. A member may appeal one time only. The decision of the Board of Directors in such regard shall be final.

10. Rights of Members.

The right of a Member to vote or to participate in any activities of the Association shall cease on termination of his/her Membership.

ARTICLE III Board of Directors

1. General Power.

The Business and affairs of the corporation shall be managed by its Board of Directors.

2. Number.

The number of Directors shall be five (5) consisting of a President, Vice President, Secretary / Treasurer and two (2) Directors elected, or in the event of vacancy appointed as hereinafter provided. The number of Directors shall increase as needed. The Association shall maintain a Board of Directors no fewer than five (5) Directors or no less than one (1) Director to every ten (10) members.

3. Election and Term of Office.

The President, Vice President and Secretary / Treasurer shall hold office for one (1) year as Directors so long as they hold their respective position as elective officers of the corporation. The terms of office of all other Directors shall be two (2) years and such terms shall be staggered so that one (1) Director is elected annually; and each subsequent annual election of Directors, a sufficient number of Directors shall be elected to replace Directors whose terms have expired or whose offices as Directors have been vacated and left unfilled by the Board of Directors, the Directors elected for such vacated office to be elected only for the unexpired term.

4. Annual Meetings.

The annual meeting of the Board of Directors shall be held immediately after the meeting of Members at which annual election of Directors takes place, at the same place as that at which such meeting of Members is held. No notice of such meeting need be given.

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5. Special Meetings.

A special meeting of the Board of Directors shall be held preceding the annual meeting of the corporation, at the same place as that at which said annual meeting is to be held, at such time as is designated in notice of such meeting.

Other special meetings of the Board of Directors may be called by, or at the request of, the President or any two (2) Directors. The person or persons authorized to call such special meeting may fix any place, within or without the State of Arizona and the time for such special meetings.

6. Notice.

Notice of any special meeting shall be given via email with a confirmation read receipt or by mail posted at least three days prior to such meeting, or personally delivered or sent via Express Mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by Express Mail, such notice shall be deemed to be delivered when a tracking number for such delivered when a tracking number for such delivery is received. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any business may be transacted at any Director's meeting, for which notice has been given, and any meeting at which a majority of Directors are present, whether or not notice or waiver thereof has been given.

7. Chairman.

The President, or in his/her absence the Vice President, or in the absence of both of them, the Chairman chosen by the Directors present, shall preside at all meeting of the Board of Directors.

8. Quorum.

The Quorum for the Board of Director Meetings shall be fifty-percent (51) of the membership of the Board. If less than a quorum is present at a meeting, a majority of the Members present may adjourn the meeting to a subsequent time, without further notice. At any meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

9. Manner of Acting.

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

10. Vacancies.

Any vacancy occurring in the Board of Directors other than a removal of a Director may be filled by the affirmative vote of a majority of the remaining Directors though less than a

quorum of the Board of Directors. A Director so appointed to fill a vacancy shall be appointed for the unexpired term of his/her predecessor in office.

11. Presumption of Assent.

A Director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken, shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting of unless he/she shall file his/her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

12. Dispensing With Meetings.

Whenever the vote of the Board of Directors at a meeting thereof is required to be taken in connection with any corporate action, the meeting of Directors may be dispensed with and the corporate action may be carried forward if each Director consents during a phone conference call; stating their name and either a yes or no vote. If in question the Chairman may request each member to submit an email with their vote included. The action if voted in favor of my majority of the Directors on the conference call; may be approved and acted upon.

ARTICLE IV Committees

1. Executive Committee.

The Executive Committee shall consist of the President, Vice President and Secretary / Treasurer. The Committee may exercise, to the extent permitted by law and not otherwise specifically provided in the Articles of Incorporation or these By-laws, all or such part of the authority of the Board of Directors as may be provided by resolution of the Board of Directors.

2. Membership Committee.

The Membership committee shall consist of the Vice President, one (1) Director and one (1) member of the association. The size of the committee shall change as needed. The committee shall maintain one member for each fifteen (15) association members. At each meeting of Members at which a vote of Members is to be taken, the Membership committee shall oversee and audit all votes. The committee will then report to the President or other presiding officer.

3. Other Committees.

In addition to the Executive Committee and Membership committee, there shall be the following standing committees, the size of which unless otherwise provided in these By-laws or resolutions of the Board of Directors, shall be determined by the President. The membership and Chairman of which

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shall be appointed by the President. The committees are RAG (Resolutions, Auditing and Grievance) committee, an Education committee, a Special Events committee and such other committees as the President shall in his/her discretion appoint.

4. Procedure at Meetings of Committees.

All provisions of these By-laws as to notice, waiver of notice, order of business, rules of order, and manner of acting relating to meetings of the Board of Directors, shall control like matters in meetings of Committees, unless otherwise specifically provided in the Articles of Incorporation of the By-laws.

ARTICLE V

Order of Business; Rules of Order

1. Order of Business, Meetings of Members.

The order of business at all meetings of Members shall be:

- 1) Reading of the minutes of the previous meeting.
- 2) Consideration of financial statements and reports.
- 3) Committee Reports
- 4) Consideration of other business.
- 5) Election of officers if that is an item of business.
- 6) Election of Directors if that is an item of business.

2. Order of Business, Meetings of Directors.

The order of business at all meetings of Directors shall be:

- 1) Reading of the minutes of the previous meeting.
- 2) Reports of officers.
- 3) Consideration of financial statements and reports.
- 4) Consideration of unfinished business.
- 5) Consideration of new and miscellaneous business.

3. Rules of Order.

The latest edition of ROBERT'S RULES OF ORDER shall determine procedure in all meetings of the Members and the Board of Directors. Other than exceptions as provided for in the Articles of Incorporation or these By-laws.

ARTICLE VI

Officers

1. Number.

The elective officers of the corporation shall be three (3) a President, a Vice-President, and Secretary / Treasurer, who shall be elected by the Members at the annual meetings of Members.

2. Elections and Term of Office.

The elective officers of the corporation shall be elected annually by the Members, immediately before election of Directors. Each officer shall hold office until his/her successor shall have been duly elected and shall have qualified, or until his/her death, or until he/she shall resign or have been removed in the manner hereinafter provided. All officers of the corporation may run for re-election. The maximum number of consecutive years in an office will be two (2).

3. Subordinate Officers.

The Board of Directors from time to time may appoint subordinate officers, including but not limited to an Association Manager, Assistant Secretaries and Assistant Secretary / Treasurers, each of whom shall hold office at the pleasure of the Board of Directors or for such term as the Board of Directors may delegate to any officer the power to appoint any such subordinate officers and to prescribe their respective authorities, duties, and terms of office.

3a. Association Manager

The Association Manager is appointed by the Board of Directors at the pleasure of the Board of Directors. The Association Manager shall perform tasks as directed by the Board of Directors and on behalf of the Association. The Association Manager shall maintain and have charge of the Arizona Headquarters Office, in the City selected by the Board of Directors; shall keep an accurate record of proceedings, of all Members' and Directors' meetings; file all notices required by law, keep a record of the Board of Directors, the President, the Articles of Incorporation, and / or the By-laws; shall receive all applications for membership and shall issue membership packages to new members whose applications are accepted and renewal cards to Members; shall collect dues. issue statements therefore and remit the same and all other funds of the corporation received by him/her, to the Secretary / Treasurer; shall compile the history of the corporation; shall answer all correspondence and other communications except that requiring the attention of the various other officers, which he/she shall keep an up-to-date roster of the Members of various classes; shall maintain on file the correspondence of the corporation and assist in keeping the books of account. The Association Manager shall have such other powers as are usual incident to the position or as from time to time may be assigned to him/her by these By-laws, the Board of Directors, or the President. The Board of Directors may delegate all or part of the authority of any officer onto the Association Manager. The Association Manager maybe paid compensation for their assigned work / services provided. Compensation is determined by the Board of Directors and should be reported to the membership at each annual meeting. The Association Manager maybe an elected Director of the Corporation, a member of the Association or a third party. The Association Manager must handle all matters in a non-bias professional manner always working in the best interest of the corporation.

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4. Removals; Resignation.

The Board of Directors, by majority vote of the entire number exclusive of the officer being removed, at any meeting called for such specific purpose, may remove from office any elective officer of the corporation, and at any meeting may accept the resignation of any officer of the corporation. The Board of Directors may delegate to any officer the authority to remove or accept the resignation of any subordinate officer. A Director shall be considered resigned if he/she is absent from four meetings of any status in a one-year term, subject to quorum vote of the Board of Directors.

5. Vacancies.

Any vacancies occurring in the office of President, President-Elect, Secretary of Treasure by death, resignation, removal or otherwise, may be filled for the unexpired portion of the term by the Board of Directors at a special meeting called for such purpose, but such vacancies need not be filled until the first annual meeting of the Board of Directors subsequent to the vacation of the office, if the Board of Directors does not deem it advisable to fill the vacancy prior to that meeting.

6. Salaries.

Elective officers of the corporation shall not receive compensation for their services. A Director whom has been appointed to Association Manager may receive compensation for while acting in such service.

7. President.

The President shall be the chief executive officer of the corporation, and subject to that direction and under the supervision of the Board of Directors, shall have general charge of the business affairs and property of the corporation and control of its several officers. The President shall preside at all meetings of the Members, Board of Directors and the Executive Committee; shall appoint the Members of all standing committees, and the Members of all other committees created by the By-laws, or by resolution of the Board of Directors. He/she shall be an ex-officio Member of all standing committees and other committees created by the By-laws or by resolution of the Board of Directors.

8. Vice President.

At the request of the President, or in his/her absence or disability, the Vice President shall perform all of the duties of the President. When so acting the Vice President shall have all of the power of, and be subject to all the restrictions upon the President. The Vice President shall have such other duties and responsibilities and may exercise such other powers as from time to time may be assigned to him/her by these By-laws, the Board of Directors, or the President.

10. Secretary / Treasurer.

The Secretary / Treasurer shall have custody of the corporation's funds; keep full and accurate accounts of all receipts and disbursements of the corporation, an inventory of assets and a record of the liabilities of the corporation; deposit

all money and other securities in such depositories as may designated by the Board of Directors; disburse the funds of the corporation pursuant to warrants for expenditures issued by or as otherwise provided by the Board of Directors, taking proper vouchers for disbursements; and prepare all statements and reports required by law, by the President, or the Board of Directors. The Secretary / Treasurer shall have such other duties and responsibilities and may exercise such other powers as are usually incident to the office or as from time to time may be assigned to him/her by these By-laws, the Board of Directors, or the President. The Board of Directors may delegate all or part of the authority and duties of the Secretary / Treasurer to the Association Manager. The Secretary / Treasurer shall be responsible for all duties assigned to the Association Manager by these by-laws should the position of Association Manager become vacant.

ARTICLE VII Seal

The corporation shall have a corporate seal which shall be in the form of a circle with the name of the corporation together with the words "ARIZONA STATE AUCTIONEERS ASSOCIATION, Corporate Seal" inscribed thereon. Upon manufacture, said seal shall be impressed in the margin of these By-laws.

ARTICLE VIII Fiscal Year

The fiscal year of the corporation shall end on the last day of February of each year hereafter.

ARTICLE IX Waiver of Notice

Whenever any notice is required to be given to any Members or Director of the corporation under the provisions of the By-laws or under the provisions of the Articles of Incorporation or under the provisions of the Arizona Corporation Commission, a Directors entitled to such notice whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X Voting Upon Stock of Other Corporation

Unless otherwise ordered by the Board of Directors, the President shall have full power and authority on behalf of the corporation to vote at and all meetings, either in person or by proxy, any stock or securities entitled to vote, which this corporation may hold, and at any such meeting may possess and exercise all of the rights and powers incident to the ownership of such stock or securities which, as the owner thereof, this corporation might have possessed and exercised if present. The Board of Directors may confer like powers upon any other person and may revoke any such powers as granted by it or by this Article (X) at its pleasure.

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ARTICLE XI Investments

The corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a Director is or may hereafter be permitted by law to make or any similar restriction, provided however, that no action shall be taken by or on behalf of the corporation if such action is a prohibited transaction or would result in the denial of the tax exemption under Section 503 or Section 504 of the Internal Revenue Code and its regulation as they now exist or as they may hereafter be amended.

ARTICLE XII Code of Ethics

The Board of Directors shall adopt, and may amend from time to time, a code of Ethics, which shall be binding upon each Member of the Corporation.

ARTICLE XIII Official Publication

The official publication of the corporation shall be a newsletter bearing the name "Arizona State Auctioneers Associations Newsletter" Which shall be published to the Association website a minimum of four (4) times a year and sent by email to all members at the time of publication.

ARTICLE XIV Annual Convention

The time and place of the annual convention shall be determined by the Board of Directors.

ARTICLE XV Amendment of Articles

The Articles of Incorporation may be amended by vote of two-thirds (2/3rd) of the Members present at any annual meeting or at any special meeting, notice or waiver of notice of which designates the time, place and purpose of the meeting and the nature of the proposed amendment, in such manner as provided in a resolution of a majority of the Board of Directors adopted prior to such annual or special meeting of members.

ARTICLE XVI Amendment of By-laws

Notwithstanding any other provision of these By-laws, no Member, Director, officer, employee, or representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under Section 501© of the Internal Revenue Code and its regulations pertaining thereto as they now exist or as they may hereafter be amended.

ARTICLE XVIII Indemnification of Officer, Directors and Agents

1. The corporation shall indemnify any person who was or is a party or threatened to be made a party to any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a Director, officer or Association Manager of the corporation against expenses (including attorney's fees), judgment, fines and amounts paid in settlement or proceeding if he or she (i) was not grossly negligent or guilty of willful misconduct in the performance of his or her duty to the corporation, (ii) acted in good faith and in a manner he or she reasonably believe to be in or not opposed to the best interests of the corporation; (iii) with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful; (iv) in the case of amounts paid in settlement, that such settlement was reasonable and in the best interest of the corporation. Their termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction or plea of nolo contendere or the equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to in the best interests of the corporation, and, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful. If, at any time, any provisions contained in the laws of the State of Arizona prohibit or limit indemnification in respect of any claim, action, suit or preceding, except upon a determination that such provision, indemnification shall be made only in accordance with this Article.

2. To the extent that a Director of officer of the corporation has been successful on the merits or otherwise in defense of any claim, action, suit, or proceeding referred to in paragraph No. 1 above, he or she shall be indemnified of all expenses (including attorneys' fees) actually and reasonably incurred by him or her. In the event any expenses (including attorneys' fees) are advanced by the corporation and is later determined that that the indemnitee is not entitled to such indemnification, the indemnitee shall repay the corporation.