

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
THE SURPLUS LINE ASSOCIATION OF ARIZONA

The Surplus Line Association of Arizona (the “Corporation”), incorporated May 4, 1970, duly existing under Arizona law and desiring to amend and restate its Articles of Incorporation, submits the following Amended and Restated Articles of Incorporation of the Corporation:

ARTICLE I
NAME

The name of the Corporation is The Surplus Lines Association of Arizona.

ARTICLE II
PLACE OF BUSINESS

The principal place of business and the address of the Corporation in the State of Arizona shall be located in Scottsdale, Arizona, but it may establish other places of business and other offices at such other places either within or without the State of Arizona as the Board of Directors may from time to time determine.

ARTICLE III
DURATION

The duration of the Corporation shall be perpetual.

ARTICLE IV
PURPOSE AND CHARACTER OF AFFAIRS

The Corporation shall be a non-profit corporation and shall have no stock and shall issue no dividends or pecuniary profits to its members or to any other private individual. All earnings of the Corporation shall be used to further the purposes of the Corporation, which are:

- (a) To encourage compliance by the members of the Corporation, and insofar as possible by nonmembers, with the laws of the State of Arizona and the rules and regulations of the Director of Insurance of the State of Arizona relating to surplus line insurance and to discourage and prevent violations of such laws, rules and regulations;
- (b) To maintain a Stamping Office for the filing of surplus line risks in the State of Arizona placed by, or transmitted from outside the State of Arizona to, members of the Corporation and to examine such filings and determine whether they comply with the laws of the State of Arizona and the rules and regulations of the Director of Insurance of the State of Arizona relating to surplus line insurance and with the bylaws and rules of the Corporation;

(c) To file with the Director of Insurance of the State of Arizona, on behalf of the members of the Corporation, surplus line risks filed by members of the Corporation within its Stamping Office, as are required by law to be filed with said Director of Insurance and to accompany such filings with any recommendations or commentary deemed advisable by the Corporation's Stamping Office;

(d) To encourage fair dealing among the members of the Corporation and with the public, to protect the rights of admitted insurers under the laws of the State of Arizona relating to surplus line insurance, to assure legal use of the surplus line insurance market by members of the Corporation, and to the extent possible by non-members, by all proper means, including conferring with organizations of admitted insurance carriers and making available to members information concerning the insurance market;

(e) To carry out the objects and purposes of the Corporation by conferring and cooperating with federal and state officials and through education, advertising and publicity;

(f) To make gifts of real and personal property to corporations, trusts, community chests, funds or foundations created or organized in the United States or in any possession thereof or under the laws of the United States or of any state or territory or of any possessions of the United States organized and operated exclusively for charitable, scientific or educational purposes or for such business league purposes as shall be in furtherance of the objects of the Corporation, no part of the earnings of which shall inure to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation;

(g) To act as trustee of trust funds created solely for charitable, scientific or educational purposes or for such business league purposes as shall be in furtherance of the objectives of the Corporation;

(h) To buy, contract for, lease and in any other lawful way acquired, take, hold and own real, personal and mixed property of all kinds and descriptions and to sell, mortgage, lease and otherwise dispose of the same consistent with the objectives of the Corporation;

(i) To buy, sell, hold, use, lease and deal in franchises, easements, licenses, privileges, patents, rights of way, trademarks and trade names consistent with the objects of the Corporation;

(j) To borrow money and issue bonds, debentures, notes and other evidences of indebtedness and obligations from time to time for any lawful corporate purpose and to mortgage, pledge and otherwise charge any or all of its properties, rights, privileges and assets to secure the payment thereof;

(k) To accept any gift, devise or bequest of money, property or rights;

(l) To establish terms and conditions of membership in the Corporation;

(m) To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or attainment of any of the objects hereinbefore mentioned either alone or in association with any other individuals, corporations or partnerships, including federal, state, county and municipal bodies and authorities; provided, however, that under no circumstances shall the Corporation take any action that will jeopardize its tax exempt status under Section 501(c)(6) of the Internal Revenue Code and its Regulations as they now exist or as they hereafter may be amended.

ARTICLE V MEMBERS

Membership in the Corporation shall be open to any person licensed as a surplus line broker under the laws of the State of Arizona upon such terms and conditions as set forth in the Corporation's Bylaws. The members of the Corporation shall pay such dues and assessments as may from time to time be approved by the Board of Directors.

ARTICLE VI INCORPORATORS, FIRST OFFICERS AND DIRECTORS

The names and addresses of the Incorporators, first Officers and first Directors of the Corporation at the time of its original incorporation in 1970 are included within the original incorporation documents of the Corporation, which are hereby incorporated by reference.

ARTICLE VII BOARD OF DIRECTORS

The control and management of the Corporation shall be vested in a Board of Directors of not less than three (3) nor more than twenty-five (25) members. The Board of Directors shall be elected by the members of the Corporation at their annual meeting pursuant to the Bylaws of the Corporation. The term of office for each member of the Board of Directors shall be as provided in the Bylaws of the Corporation. The members of the Corporation shall have the right to increase or decrease, within the limits set forth above, the number of directors of the Corporation, and the Board of Directors shall have the right and authority to fill any vacancies in the Board of Directors in the manner set forth in the Corporation's Bylaws.

ARTICLE VIII OFFICERS

The officers of the Corporation shall be a President, a Vice President, an Executive Director and a Secretary-Treasurer. The President, Vice President and Secretary-Treasurer shall be elected at the annual meeting of the members of the Corporation and shall serve for a one-year term or until their successors are elected and qualified. The Board of Directors shall appoint the Executive Director who shall be approved by the members in accordance with the Bylaws of the Corporation and may, as it deems necessary or advisable for the objects and purposes of the Corporation, engage the services of other employees and propose to the members of the Corporation the election of additional officers.

ARTICLE IX
INDEMNIFICATION

The members, officers, directors and committee members of the Corporation shall not be individually liable for the Corporation's debts or other liabilities, and the private property of such individuals shall be exempt from any and all corporate debts or liabilities to the fullest extent permitted by law.

ARTICLE X
DISSOLUTION

No member of the Corporation shall possess any property right in or to the property or assets of the Corporation. In the event of dissolution or winding up of the Corporation, all assets not otherwise disposed of shall be distributed exclusively to charitable, religious, scientific, literary or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations, as they now exist or may hereafter be amended.

ARTICLE XI
INDEBTEDNESS

The highest amount of indebtedness or liability, direct or contingent, to which the Corporation may be subject at any one time shall be Ten Thousand Dollars (\$10,000.00), or such additional amount or amounts as may be authorized by three-fourths (3/4) of the votes of the members of the Corporation cast with respect thereto at a lawfully noticed and held meeting.

ARTICLE XII
AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS

These Amended and Restated Articles of Incorporation may be amended by the affirmative vote of a majority of the members of the Corporation present at a meeting called for that purpose. The members of the Corporation shall have the full power to adopt, alter and amend the Bylaws, to make proper rules and regulations for the transaction of the affairs of the Corporation, to elect all officers herein designated and to appoint an executive committee to act for the Board of Directors.

ARTICLE XIII
STATUTORY AGENT

The name and address of the statutory agent of the Corporation is S. David Childers, c/o Kutak Rock LLP, 8601 N. Scottsdale Road, Suite 300, Scottsdale, AZ 85253.