

**Bylaws of the
Greater Philadelphia Association of REALTORS®**

**Adopted January 1, 2015
Last Amended January 1, 2015
ALL REALTOR® MEMBERSHIP**

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**Bylaws of the
Greater Philadelphia Association of REALTORS® Incorporated
Adopted January 1, 2015
All REALTOR® Membership**

ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the Greater Philadelphia Association of REALTORS® Incorporated hereinafter referred to as the “Association.”

Section 2. REALTORS®. Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II - OBJECTIVES

The objectives of the Association are:

Section 1. To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 4. To further the interests of home and other real property ownership.

Section 5. To unite those engaged in the real estate profession in this community with the Pennsylvania Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

Section 6. To designate, for the benefit of the public, those individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

Sections 1 thru 6 mandated by NAR, 2003

ARTICLE III - JURISDICTION

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is: The City and County of Philadelphia, Pennsylvania, as expanded by NAR policy Board of Choice.

Section 2. Territorial jurisdiction is defined to mean: The right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

Sections 1, 2 mandated by NAR, 2003

ARTICLE IV - MEMBERSHIP

Section 1. There shall be six classes of members as follows:

(a) **REALTOR® Members.** REALTOR® members, whether Primary or Secondary, shall be:

(1) Individuals who, as sole proprietors, partners, or corporate officers, or branch managers are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the Commonwealth of Pennsylvania, or a State contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who is actively engaged in the real estate profession within the State or a State contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in an Association of REALTORS® within the Commonwealth or a State contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® MEMBERSHIP UNLESS OTHERWISE QUALIFIED FOR Institute Affiliate Membership as described in Section 1(b) of Article IV. (Amended 1/01).

NOTE: REALTOR® Members may obtain membership in a "secondary" association in another state.

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or as branch office managers, and are associated with a REALTOR® member and meet the qualifications set out in Article V.

(3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions of the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to Association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization name; and the right to hold elective office in the local Association, State Association, and National Association.

(4) Primary and secondary REALTOR® Members. An individual is a primary member if the Association pays State and National dues based on such Member. An individual is a secondary Member if State and National dues are remitted through another Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.

(5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

(b) **Institute Affiliate Members.** Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

(c) Affiliate Members. Affiliate members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the Association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

(d) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who has performed notable service for the real estate profession, for the Association, or for the public.

(e) Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

(f) Inactive/Retired Members. Inactive/Retired Members shall be individuals who wish to retain membership status, but because of ill health or age are unable to actively perform the services of a REALTOR®. Said individuals must apply to the Membership committee for this status. If approved by the Membership committee, the applicant must further be approved by a two-thirds affirmative vote of the Board of Directors.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application. An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that an applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitution, Bylaws, and Rules and Regulations of the Association, State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association, through its Membership Committee or otherwise, may invite and receive information and comment about an applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, or corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the State or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to review the Bylaws and Rules and Regulations, if any, of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, (as available on the Association website, gpar.org, or upon request to the Association), and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

NOTE: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR®

membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics. (Adopted 1/01)

(*) NO RECENT OR PENDING BANKRUPTCY is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

(**) NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the Association may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate State regulatory agency to engage in the appraisal of real property, shall agree to review the Bylaws and Rules and Regulations, if any, of the Association, the Bylaws of the State Association, the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, (as available on the Association website or upon request to the Association), and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Committee, and shall agree in writing that if elected to membership he/she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Association, State Association, and the National Association.

(c) The Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:

1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years
2. Pending ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitration requests (or hearings)
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.
6. Any misuse of the term REALTOR or REALTORS in the name of the applicant's firm.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another Association with an ethics complaint or arbitration request pending, the Association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the Association to which the applicant has made application) and will abide by the decision of the hearing panel of that prior Association.

Section 3. Election. The procedure for election to membership shall be as follows:

(a) Applicants for REALTOR® membership, as well as special member categories, shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee as provided in Article X, Section 1. Provisional members, as applicable, shall be considered REALTORS® and all Provisional members shall be subject to all of the same privileges and obligations of membership as non-Provisional members. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all the qualifications for membership as established in the Association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within one hundred eighty (180) days from the Association's receipt of their application, Provisional membership may, at the discretion of the Board of Directors, be terminated or referred to the Membership Committee for further evaluation and report to the Board of Directors as provided in subsection (b) below.

(b) Upon referral from the Board of Directors, the Membership Committee shall first confirm whether the applicant has applied for the appropriate class of membership. It shall then give written notice, which may be by facsimile and/or email included in any special or regular communication by the Association, to the REALTOR® Members of the Association of such application and invite written comment. If one or more of the REALTOR® Members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Committee shall invite any objecting REALTOR® Member to appear and substantiate his or her objections. Objections, which are not substantiated, shall be totally disregarded. The Committee may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting REALTOR® Member, and (2) giving the applicant a full opportunity to appear before the Committee and establish his or her qualifications. The Committee shall thereafter make a written report of its findings and submit those findings to the Board of Directors within thirty (30) days of the Committee meeting reviewing the applicant's qualifications. If the recommendation is adverse to the approval of the applicant, the reasons shall be specifically stated in the report. If any member of the Membership Committee submits a dissenting recommendation, it shall also be reported to the Board of Directors. The Membership Committee shall conduct all proceedings with strict attention to the principles of due process in compliance with the Bylaws of the Association and provide a copy of the written report to the applicant and objecting member affording them the opportunity to submit a written response to the Board of Directors prior to its meeting to consider the application of that Provisional member.

(c) The Board of Directors shall review the qualifications of the applicant and, if applicable, the recommendations of the Committee, and then upon a majority vote of the Board of Directors, he or she shall be declared confirmed to membership and shall be advised by written notice.

(d) The Board of Directors may not terminate membership of any Provisional member without providing the applicant with an opportunity to appear before the Boards of Directors, to call witnesses on his or her behalf, to be represented by counsel, and to make such statements as he or she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(e) If the Board of Directors determines that Provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of a Provisional membership may become the basis for litigation and a claim of damage by a Provisional member, it may specify that termination shall become effective upon entry in a suit by the Board of Directors for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

(f) Dues shall be computed from the date of application for the Provisional membership and shall be non-refundable unless the Association's Board of Directors terminates the individual's Provisional membership in accordance with the provisions provided for above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received Association services and any application fee.

Section 4. New Member Code of Ethics Orientation

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an

orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less.

Failure to satisfy this requirement within 180 days of the date of application (or, alternatively, the date that provisional membership was granted) will result in denial of the membership application or termination of provisional membership.

The Board will schedule a minimum of three (3) dates over each 12-month period during which the above referenced Instruction/Orientation shall be presented. Attendance by each new member upon the nearest such date to being elected to membership is compulsory. Failure to so comply shall suspend the member from any and all membership benefits until compliance is fulfilled. An acceptable excuse for delay in compliance upon the date designated must be received and acknowledged in writing by the Executive Officer of the Board with the promise that on the next scheduled date the member will be in attendance. Failure to attend Instructional/orientation classes within the prescribed period of time, as set forth above, shall result in forfeiture of application fee. A new fee must be submitted in order to start the process again.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

Section 5. Continuing Member Code of Ethics Training

Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to completed additional ethics training until a new four year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty.

Failure to meet the requirement will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Revised 11/08)

Section 6. Status Changes.

(a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all the privileges and obligations of a REALTOR® (principal). If a REALTOR® (non-principal) does not satisfy the requirements established in the Bylaws for the category of membership to which he/she has transferred within thirty (30) days of the date he/she advised the Board of his/her change in status, his/her membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within thirty (30) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

NOTE: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

(c) Dues shall be prorated from the first day of the quarter in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

Section 1. The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article.

Section 2. Any member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the Association. Although Members other than REALTORS® are neither subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the *Code of Ethics and Arbitration Manual* of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the *Code of Ethics and Arbitration Manual* of the National Association.

Section 4. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(a) If a REALTOR® Member, whether primary or secondary, is a principal in a firm and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or

corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Members shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

(b) If a REALTOR® Member is the Designated REALTOR® in charge of a firm, partnership or corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than Designated REALTORS® who are employed by or affiliated as independent contractors with the disciplined Members shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member who is other than a Designated REALTOR® in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

(c) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and he/she shall be advised that the provisions in Article VI, Section 6 (a) or (b), as applicable, shall apply.

Section 7. Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations as prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

The Association may establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to serve as President of the local association, or to be a Participant in the local association's Multiple Listing Service.

Section 8. Affiliate Members. Affiliate members shall have rights and privileges and be subject to obligations as prescribed by the Board of Directors.

Section 9. Honorary Members. Honorary membership shall confer only the right to attend meetings and participate in discussions.

Section 10. Student Members. Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 11. Inactive/Retired Members. Senior Retired Members shall have rights and privileges and be subject to obligations as prescribed by the Board of Directors.

Section 12. Certification by REALTOR®. Designated REALTOR® Members of the Association shall certify to the Association, on a form provided by the Association, a complete listing of all individuals licensed or certified with the REALTOR®'s office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another Association based on non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under

Article X, Section 2(a) of the Bylaws. Designated REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual. Any Designated REALTOR® found in violation of proper notification will be subject to a fine of \$25.00 per month.

Section 13. Continuing Education. In addition to all other membership requirements to retain membership in this Association, all REALTORS® shall successfully complete any continuing education requirements as may be prescribed by the Education Committee and approved by the Board of Directors of this Association. Subject matter shall be limited to legal issues involving Association or Member practices which in the judgment of the Board of Directors affects the rights, duties and/or liability of the Association or the Members and such subject matter shall be limited to the following issues: Antitrust Laws, Civil Rights Laws, Agency Laws and the National Association's Code of Ethics. Any such continuing education requirements shall not exceed six classroom hours on a bi-annual basis.

Section 14. Sexual or Other Harassment. Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association employee or Association Officer or Director after an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-elect and/or Vice President and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President, President-elect or Vice President, he/she may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint. Sexual or other harassment shall be as defined by the laws of the Commonwealth of Pennsylvania.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of this Association as from time to time amended.

Section 3. The responsibility of the Association and Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

Section 4. An administrative processing fee, as directed by the Board of Directors from time to time, not less than \$200.00, shall be imposed on the Respondent found in violation of the Code of Ethics by the hearing panel at an ethics hearing. This processing fee shall be considered an assessment under Article X.

Section 5. A fee in the amount of \$350.00 shall be charged for arbitrations and a fee in the amount of \$250.00 shall be charged for an appeal of arbitration.

ARTICLE VIII - USE OF THE TERMS REALTOR® AND REALTORS®

Section 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided in the association's Code of Ethics and Arbitration Manual.

Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the State or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

Section 3. A REALTOR® member who is a principal of a real estate firm, partnership, or corporation may use the term REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate members as described in Section 1(b) of Article V.

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

Sections 1 through 4 mandated by NAR, 2003

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Pennsylvania Association of REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Pennsylvania Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and Pennsylvania Association of REALTORS®.

Sections 1 through 3 mandated by NAR, 2003

ARTICLE X - DUES AND ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Board upon final approval of the application.

Section 2. Dues. The annual dues for each Member shall be as follows:

(a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member and (2) are not REALTOR® Members of any Association in the State or a State contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a designated REALTOR® Member, non-member licensees as defined in Section 2(a)(1) and (2) of this Article shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in the State, or a State contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association. (Amended 1/01)

(1) For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the State or a State contiguous thereto and who, as a principal, partner, corporate officer or branch office manager, of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any Broker who is licensed with the REALTOR®, or by an entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a)(1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

The annual dues of REALTOR® Members other than the Designated REALTOR® shall be in such amount as established annually by the Board of Directors.

Section 1 mandated by NAR, 2004

(b) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

(c) Affiliate Members. The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.

(d) Honorary Members. Dues payable, if any shall be at the discretion of the Board of Directors.

(e) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

(f) Inactive/Retired Member. The annual dues of each Inactive/Retired Member shall be in such amount as established annually by the Board of Directors.

Section 3. Assessments. The Board of Directors may assess all classes of membership for any purpose as it may, from time to time, determine necessary.

Section 4. Waiver of Dues. Local Association membership dues of the local Association President for the year during which he/she holds office shall be automatically waived.

Section 5. Dues Payable.

(a) On a date specified by the Board of Directors, dues for all Members shall be payable annually and are not refundable. Dues for new members shall be computed from the date of application and granting of provisional membership. Initial dues required to be paid by an applicant for membership shall be as provided in Article X, Section 1 and Article V, Section 3(f).

(b) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the Designated REALTOR®'s firm, the dues obligation of the Designated REALTOR® (as set forth in Article X, Section 2(a)) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty (30) days of the notice of termination.

Section 6. Nonpayment of Financial Obligations. If dues, fees, fines or other assessments including amounts owed to the Association are not paid by the date due as set forth in these Bylaws or the invoice submitting requests for payment, the non-paying member is subject to a late fee as established by the Board of Directors. One (1) month after the due date of that assessment, membership of the non-paying member shall be suspended. Two (2) months after the due date of the assessment, membership of the non-paying member shall be terminated and the late fee doubles. Three (3) months after the due date, notice will be provided to the membership that the member was terminated from the Association as a result of non-payment of dues and/or other assessments. A former Member who has had his/her membership terminated for non-payment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts dues as of the date of termination. In the event that a payment of an assessment is by check and that check is not honored, the cost incurred by the Association for the return check is not honored, the cost incurred by the Association for the return check will be assessed to the member plus any appropriate late fees as a result of delay in receipt of payment.

Section 7. Notices of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations owed to the Association shall be noticed to the delinquent Member in writing setting forth the amount owed and due date.

Section 8. Special Dues. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association, or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

Section 9. Deposit. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.

Section 10. Expenditures. All checks written by the Association require two signatures with the exception of an emergency expenditure of \$250 or less requiring one signature. The Board of Directors shall administer the day to day finances of the Association by review of the monthly financial reports.

Section 11. Collection of Delinquent Dues and Assessments. In the event that the Association is required to engage legal counsel for purposes of collecting outstanding dues and/or other assessments, then the cost of those legal services will be added to the amount owed by the member or former member as the case may be.

Section 12. Reinstatement Fee. In the event local membership in the Association is terminated due to non-payment of dues, the current dues as well as a reinstatement fee as established from time to time by the Board of Directors, initially being ten percent (10%) of the amount due, and all late fees shall be required to be paid for reinstatement of a suspended member having delinquent dues. This reinstatement fee, similar to late fees, shall relate to local membership privileges and shall not be apportioned between the Association, NAR or PAR due to the fee being for the Association's administrative costs.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Elected Officers. The Elected Officers of the Association shall be: President, Vice President, First Vice President, Secretary, and Treasurer. They shall be elected for terms of one year.

Section 2. Executive Committee. The Executive Committee shall consist of the Elected Officers and the Immediate Past President and shall meet six times per year unless otherwise needed. The President shall have the right to call a meeting on or off scheduled months, if needed, to complete the business of the Association. Meetings may be conducted by telephone or other suitable communication means.

Section 3. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors and from time to time set forth by Board approved policy statement outlining these duties.

- (a) It shall be the particular duty of the President to carry out all traditional activities as the Chairman of the Board including all authorized or implied by these Bylaws; to conduct the Executive Committee meeting; to serve as the Chairperson for the Board of Directors unless the Board elects otherwise; to communicate Association decisions to, and direct action by, the Chief Executive Officer, and such other actions as are authorized by the Board of Directors or Executive Committee.
- (b) It shall be the particular duty of the Vice President to carry out all the functions of the President in his or her absence, and otherwise participate in those Association activities during the year prior to his or her term as President, that will assist in acquiring the knowledge and experience to serve as the President of the Association.
- (c) It shall be the particular duty of the First Vice President to carry out the functions of the President in the absence of the President and Vice President and to serve as the Parliamentarian at Executive Committee and Board of Directors meetings.
- (d) It shall be the particular duty of the Secretary to oversee the keeping of the Association and to carry on all necessary correspondence with the National Association of REALTORS® and the Pennsylvania Association of REALTORS®.
- (e) It shall be the particular duty of the Treasurer to work with the financial advisors and executive staff member(s) handling Association funds; to review and report to the Executive Committee and the Board of Directors regular financial statements, year-end reports, budgets and such other related financial data as well as have check signing privileges for the Association along with other approved signatures.

Section 4. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the President, Vice President, First Vice President, Secretary, Treasurer and the Immediate Past President; the Pennsylvania Association of REALTORS® District Vice President, provided he/she is a member of the Association; four (4) REALTOR®

members elected by the General Membership; one (1) Affiliate member selected by the Affiliate Committee; and three (3) REALTOR® members appointed by the President of the Association. The Board of Directors, in such capacity, shall provide direction to the President and/or Chief Executive Officer as appropriate for them to conduct the business of the Association.

The President may also appoint an Economic Advisor to serve on the Board of Directors, which will increase the number of the Board by that one position, if appointed; however, shall not have the right to vote or make motions. The Economic Advisor shall abide by the Association Policies and Procedures for Officers and Directors in carrying out his or her duties to the Board, as requested from time to time by the President.

Section 5. Screening and Election of Officers and Directors.

(a) At least ninety (90) days before the annual election in November, a Nominating Committee consisting of at least five (5) and no more than seven (7) REALTOR® members shall be appointed by the President. The Nominating Committee shall select one nominee for each officer position and director positions and submit the list of nominees along with the verification of the nominee's acceptance to the President and Executive Vice President. The report of the Nominating Committee shall be e-mailed (staff must retain receipts of the emails sent) or communicated through the association newsletter, to each member eligible to vote at least twenty-one (21) days preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least fifteen percent (15%) of the REALTOR® members eligible to vote. The petition shall be filed with the Executive Vice President at least fourteen (14) days before the election. Before the election, the Executive Vice President shall send notice of such additional nominations to all members eligible to vote. In the event that no additional nomination(s) are filed with the Executive Vice President, as prescribed by these Bylaws, the nominees named in the report of the Nominating Committee shall be deemed elected to their respective offices. Each Committee may recommend a new chair and vice-chair to be presented to the President by the date of the Executive Committee meeting immediately prior to the General Membership Meeting, to be accepted by the Executive Committee prior to the annual election.

To the extent possible, the Nominating Committee should include an equal mix of or near equal mix of past presidents of the Association, and REALTOR® members other than past presidents, that have demonstrated by participation in Association activities and governance (service on the Board of Directors, in committees and task forces, etc.)

(b) The Nominating Committee shall nominate one candidate for each of the four (4) director positions to be elected by the general membership; list of nominees shall be submitted to the CEO.

(c) The Nominating Committee shall also identify individuals who have shown consistent activity in Association affairs, including the promotion of the mission of the Association, participation in events, service on committees/special programs and who have done so with a high level of professionalism and integrity for the purpose of soliciting them to submit application to run for office.

(d) Applicants for Line Officer positions shall submit an application to the Nominating Committee no later than August 1 the year preceding a date on which the applicant seeks to take office (i.e., a candidate who seeks to take office. Each applicant shall provide written authorization in the manner prescribed on the application form granting the Association the authority to obtain a legal audit, a criminal background check, and to obtain a credit report limited to use in connection with the election process.

(e) The Nominating Committee shall meet in closed session as soon as reasonably practicable after receipt of Counsel's report. Issues will be reviewed by the Nominating Committee to determine whether it deems the issues to be a significant impediment to the applicant's suitability for office. The Nominating Committee shall also assure that all applicants meet the qualifications for office as established by these Bylaws.

(f) The Nominating Committee shall report names of the applicants who are without issue and who are deemed qualified for office at least twenty-one (21) days preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least fifteen percent (15%) of the REALTOR® members eligible to vote. The petition shall be filed with the Chief Executive Officer at least fourteen (14) days before election. Before the election, the Chief Executive Officer shall send notice of such additional nominations to all members eligible to vote. In the event that no additional nomination(s) is filed with the Chief Executive Officer, as prescribed by these Bylaws, the nominees named in the

report of the Nominating Committee shall be deemed elected to the respective office(s).

(g) To the extent that application are deemed ineligible to run by virtue of their qualifications or issues revealed through the audit process, and if no nomination petition has been received, the office(s) for which there re no nominees shall be deemed vacant and filled pursuant to these Bylaws.

(h) The election shall take place at the annual meeting of the general membership. If only one person is nominated for each person, the chair may declare that the nominees are so elected by unanimous consent.

Section 6. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election.

Section 7. Termination or Resignation.

(a) In the event that an Officer, Director, Committee or Task Force member fails to comply with Association Bylaws, policies, including the Volunteer Promise, or has been determined to have violated the REALTOR® Code of Ethics or is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, that person may be removed from position held by the determination of the Board. In the event that person opposes termination and submits a written response the cause(s) set forth in the notice within ten (10) days from the date of the notice, the removal will be under the following procedure:

- i. A petition requesting the removal signed by not less than one-third (1/3) of the voting membership or a majority of the Directors shall be submitted to the President, or if the President is the subject of the petition, to the next ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- ii. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the Board of Directors shall be held to hear the request and a vote shall be taken.
- iii. In the event the vote of the Board of Directors is more than a majority but less than three-fourths (3/4) of voting directors, then the termination matter shall be submitted by the Board to the voting membership of the Association and a special meeting shall be held. The sole business of the meeting shall be to consider and render a decision.
- iv. The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking Officer will conduct the meeting. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

(b) In the event that an Officer, Director, Committee or Task Force member fails to attend more than one (1) scheduled meeting of the Executive Board, the Board of Directors, Committee, Task Force or other committed, confirmed presentation, event or function of the Association without that or those absences being excused by the Board, that individual's position shall be terminated. The issues of excused absence will be determined as a Special Matter at the end of the meeting agenda. Absences shall not be considered cumulatively if the individual holds more than one (1) position. The determined attendance failure shall be considered a voluntary resignation of the position held.

Section 8. Presidential Advisory Board. The President may create, continue or disband a Presidential Advisory Board to assist the Executive Committee in performing its functions for the Board of Directors, Executive and Staff. The Presidential Advisory Board, upon invitation, may attend the Executive Committee meetings and/or the meetings of the Board of Directors. The Presidential Advisory Board shall consist of those business, government individuals that are proven, and real estate professionals who, based upon their knowledge and experience, can provide advice to assist the Association with conducting its business, including planning for the future. The Presidential Advisory Board shall be comprised of one to seven individuals and their appointment shall last for the calendar year appointed. The Presidential Advisory Board shall be governed under the Policies and Procedures of the Board of Directors in respect to confidentiality, social and media policies, and general conduct when serving the Association. The members of the Presidential Advisory Board shall not be voting

members of either the Executive Committee or the Board of Directors, nor shall have the right to make motions.

ARTICLE XII - EXECUTIVE AND STAFF

Section 1. Appointment. The Board of Directors shall employ a salaried Association Executive who shall have the title of Chief Executive Officer and whose initial term and conditions of employment shall be specified by the Directors. The Executive Committee is delegated with the authority to determine the ongoing compensation and other financial arrangements of the Chief Executive Officer. Such data will be reported to the Board of Directors.

Section 2. Authority and Responsibility. The Executive Vice President shall manage and direct all activities of the Association, subject to the policies of the Board of Directors and through the office of the President. The Chief Executive Officer shall employ and may terminate the employment of the staff necessary to carry out the work of the Association and fix their compensation within the approved budget. The Chief Executive Officer shall define the duties of the staff, supervise their performance, establish their titles, and delegate those responsibilities of management as shall be in the best interest of the Association. The Chief Executive Officer shall serve without vote as an ex-officio member of the Executive Committee and Board of Directors.

ARTICLE XIII - MEETINGS

Section 1. Meetings of Directors. The Executive Committee shall meet six times annually and the Board of Directors will meet quarterly unless convened by emergency session. The President shall designate a regular time and place for the meetings. Absence from two (2) regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation from the Board of Directors and their elected or appointed position.

Section 2. Annual Meetings. The annual meeting of the Association members shall be held in the final quarter of each year on a date, location and hour to be designated by the Executive Vice President.

Section 3. Other Meetings. Meetings of the members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least fifteen percent (15%) of the members eligible to vote.

Section 4. Notice of Meetings. Written notice, which may be by facsimile, internet or other acceptable form of communication as able to reach all members, shall be given to every member entitled to participate in the meeting at least seven (7) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum

(a) A quorum for the transaction of business at a general or special meeting shall consist of fifteen percent (15%) of the members eligible to vote.

(b) At a meeting of the Board of Directors, a quorum for the transaction of business shall consist of fifty percent (50%) (to the nearest whole number) of the Directors (including Officers), and video and/or other electronic communication allowing remote presence shall be acceptable as need be for the purposes of determining a quorum.

Section 6. Voting. A simple majority of the quorum present will be decisive on any issue. Proxy votes, if any, will be allowed only for an excused absence.

Section 7. Policy Statement. The Policy Statement of the Association regarding the conduct of meetings shall be read at the commencement or each meeting of the Association, Board of Directors, Executive Committee, Standing Committees, Special Committees and Task Forces, with the policy set forth therein followed without deviation.

Section 8. NATIONAL ASSOCIATION OF REALTORS® meetings. The President of the Pennsylvania Association of REALTORS®, during his/her term of office, shall be a full REALTOR® member of the Association without payment of dues, with the right to act on behalf of, and serve as a Full Voting Delegate of the Association at meetings of the NATIONAL

ARTICLE XIV – COMMITTEES

Section 1. Standing Committees. The President shall be an ex-officio member of all standing committees and shall be notified of their meeting. The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, and requirements of these Bylaws, the standing committees listed below as well as the chairperson and vice-chairperson for that committee. Appointments to the Professional Standards Committee shall be consistent with the cooperative professional standards enforcement agreement of the Association. The vice-chairperson, upon satisfactorily fulfilling committee duties, shall succeed to position of committee chairperson at the conclusion of the committee chairperson's appointment.

Section 2. Chairperson. The Chairperson shall schedule and conduct all meetings of the committee.

Section 3. Special Committees or Task Force. The President shall appoint special committees or task forces as deemed necessary. Such committees and task forces shall be deemed temporary committees and task forces, the dissolution of which shall be automatic at the conclusion of the assigned task.

Section 4. Organization. The size, duties, functions and powers of all committees shall be assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

Section 5. Standing Committees. Executive Committee, Government Affairs Committee, Grievance Committee, Professional Standards, Affiliates, and RPAC shall be standing committees of the Association.

ARTICLE XV - FISCAL AND ELECTIVE YEAR

The Fiscal and elective year of the Association shall be January 1 to December 31.

ARTICLE XVI - RULES OF ORDER

(a) *Robert's Rules of Order*, latest edition, shall be recognized as the authority governing the meetings of the Association, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

(b) The Vice President shall serve as the Parliamentarian for Executive Committee and Board of Directors meetings unless the Board approves a special appointment of a Parliamentarian.

Section (1) mandated by NAR, 2003

ARTICLE XVII - AMENDMENTS

Section 1. These Bylaws may be amended in part by a two-thirds (2/3) majority of the Board of Directors at any meeting at which a quorum is present and that the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting. Amendments to those portions of these Bylaws mandated by the National Association of REALTORS® shall be adopted without action of the Board of Directors. Votes on amendments may be cast in person on the day of the meeting, by mail, by electronic submission or brought to the Association office prior to the day of the meeting. Votes by proxy granted to Board Members or others will not be permitted on amendment to these Bylaws. These Bylaws, if amended in their entirety, must be voted on by a majority of the membership at any meeting at which a quorum is present.

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed or otherwise transmitted as provided in Article XIII, Section 4 to every member eligible to vote at least seven (7) days prior to the meeting.

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate

Members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVIII - DISSOLUTION

Section 1. Upon the dissolution or winding up of affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Pennsylvania Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XIX - PERSONAL LIABILITY OF DIRECTORS

Section 1. General Rule. A Director of the Association shall not be personally liable for monetary damages for any action taken or any failure to take any action, except to the extent that exemption from liability for monetary damages is not permitted under the laws of the Commonwealth of Pennsylvania as now hereafter in effect. The provisions of the Section are intended to exempt the Directors of the Association from liability for monetary damages to the maximum extent permitted under the Pennsylvania Directors' Liability Act (42 PA. CS. S8361 et seq.) or under any other law now or hereafter in effect.

Section 2. Specific Rule Under Directors' Liability Act. Without limitation of Section 1 above, a Director of the Association shall not be personally liable for monetary damages for any action taken or any failure to take any action, unless: (1) the Director has breached or failed to perform the duties of his/her office under Section 8363 of the Directors' Liability Act, and (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of the preceding sentence shall not exempt a director from: (a) the responsibility or liability of a Director for the payment of taxes pursuant to local, state or federal law.

Section 3. Modification or Repeal. The provisions of this Section may be modified or repealed in accordance with the procedures for amending these Bylaws; provided, however, that any such modification or repeal shall not have any effect upon the liability of a Director relating to any action taken, any failure to take action, or events which occurred prior to the effective date of such modification or repeal.

ARTICLE XX - INDEMNIFICATION

Section 1. General Rule. Subject to the provisions of Section 2, below, the Association shall, to the fullest extent permitted under the laws of the Commonwealth of Pennsylvania as now or hereafter in effect, indemnify any person (and his/her heirs, executors and administrators) who was or is a party, witness or other participant, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, actions by or in the right of the Association), by reason of the fact that he/she is or was a Director, Officer, Committee member or Chief Executive Officer of the Association or is or was serving at the request of the Association as a Director, Officer, Committee member or Chief Executive Officer of another corporation, partnership, joint venture, trust or other enterprise, and may, to the fullest extent permitted under the law of the State of Pennsylvania as now or hereafter in effect, indemnify any person (and his/her heirs, executors and administrators) who was or is a party, witness or other participant, or is threatened to be made a party, witness or other participant, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, actions by or in the right of the Association), by reason of the fact that he/she is or was an employee or agent of the Association, or is or was serving at the request of the Association as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees, court costs, transcript costs, fees of experts and witnesses, travel expenses and all other similar expenses), judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding.

Section 2. Standard of Conduct. Indemnification shall be provided under Section 1, above, only if it is determined that: (a) the person seeking indemnification acted in good faith in a manner he/she reasonably believed to be in or not opposed to the best interests of the Association; and (b) the act or failure to act giving rise to the claim for indemnification does not constitute willful misconduct or recklessness. Notwithstanding the foregoing, no person shall be indemnified in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful

misconduct or recklessness.

Section 3. Procedures. Indemnification under Section 1, above, (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because the person seeking indemnification has met the applicable standard of conduct set forth in Section 2, above, and the Association has insurance coverage, as determined acceptable by the Board of Directors, to cover the costs of such indemnification. All such determinations shall be made by the Board of Directors.

Section 4. Advance Payment of Expenses. Subject to such terms, conditions and limitations, if any, as the Board of Directors may, at its discretion, determine to be appropriate, the Association shall (in the case of a Director, Officer, Committee member or Executive Vice President) and may (in the case of an employee or agent) advance all reasonable expenses (including attorney's fees, court costs, transcript costs, fees of experts and witnesses, travel expenses and all other similar expenses) reasonably incurred in connection with the defense of or other response to any action, suit or proceeding referred to in Section 1, above, upon receipt of an undertaking by or on behalf of the person seeking the advance to repay all amounts advanced if it shall ultimately be determined upon final disposition of such action, suit or proceeding that he/she is not entitled to be indemnified by the Association under the provisions of the preceding sentence, the Association shall not be required to make any advance payment of expenses (or to make any further advance if one or more advances shall have been previously made) in the event that a determination is made by the Board of Directors that the making of an advance or further advance would be inappropriate in the circumstances because there is reason to believe that the person seeking the advance did not meet the applicable standard of conduct set forth in Section 2, above.

Approved by NAR ()