



Pennsylvania
Association of
REALTORS®

**BYLAWS
OF THE
PENNSYLVANIA
ASSOCIATION OF
REALTORS®**

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Table of Contents

		<u>Page No.</u>
ARTICLE I	NAME AND SEAL	2
ARTICLE II	OBJECTS	2
ARTICLE III	MEMBERSHIP	3
ARTICLE IV	DUES	4
ARTICLE V	USE OF THE TERM REALTOR [®] , REALTORS [®] , AND REALTOR-ASSOCIATE [®] BY MEMBERS AND OTHERS	6
ARTICLE VI	ADHERENCE TO THE CODE OF ETHICS BY MEMBERS	7
ARTICLE VII	MISCONDUCT	8
ARTICLE VIII	BOARD OF DIRECTORS	9
ARTICLE IX	EXECUTIVE COMMITTEE	11
ARTICLE X	NATIONAL ASSOCIATION OF REALTORS [®] DIRECTORS	12
ARTICLE XI	COMMITTEES, FORUMS AND PRESIDENTIAL AUTHORITY	13
ARTICLE XII	PERSONAL LIABILITY OF DIRECTORS	15
ARTICLE XIII	INDEMNIFICATION	15
ARTICLE XIV	ADMINISTRATION	17
ARTICLE XV	OFFICERS' DUTIES	18
ARTICLE XVI	SCREENING AND ELECTIONS	19
ARTICLE XVII	VACANCIES	20
ARTICLE XVIII	RULES FOR MEETINGS	21
ARTICLE XIX	CONVENTION	21
ARTICLE XX	RPAC	22
ARTICLE XXI	LEGAL ACTION FUND	24

	<u>Page No.</u>
ARTICLE XXII ISSUES MOBILIZATION	25
ARTICLE XXIII COUNSEL	27
ARTICLE XXIV CONSIDERATION FOR SERVICE	27
ARTICLE XXV FISCAL YEAR	27
ARTICLE XXVI AMENDMENTS	28

ARTICLE I*

NAME AND SEAL

(Former Article I of the Constitution)

SECTION 1. NAME

The name of this organization shall be Pennsylvania Association of REALTORS®.

SECTION 2. SEAL

The seal of the Association shall be an outline map of Pennsylvania surmounted by a Keystone, the whole enclosed in a circle with the words "Pennsylvania Association of REALTORS®" around the periphery and the word "Service" below the outline map.

ARTICLE II

OBJECTS

(Former Article II of the Constitution)

The objects of this Association shall be: 1. To bind together the REALTORS® and REALTOR-ASSOCIATE®s of Pennsylvania in a spirit of cooperation, fraternity and good will for the advancement of their mutual welfare; 2. To promote home ownership, encourage investment in real estate and protect the right to own and use private property; 3. To enable its Members to transact business and conduct the affairs connected with the appraising, buying, selling, renting, financing and managing of real estate for the advantage and protection of both the public and the REALTORS® and REALTOR-ASSOCIATE®s through the adoption of standard rules and practices and the continued education of all who are in the real estate field; 4. To promote and maintain the high standards of conduct set forth in the REALTORS® Code of Ethics formulated by the NATIONAL ASSOCIATION OF REALTORS® and adopted by this Association and to enforce that Code amongst the Members of this Association for the protection of the general public against unethical, improper or fraudulent practices by urging them to transact real estate business through REALTORS® and REALTOR-ASSOCIATE®s pledged to observe the Code of Ethics; 5. To advance the civil development and economic growth of the Commonwealth of Pennsylvania and its citizens; 6. To aid or participate in programs related to their housing; 7. To communicate and work with administrative and legislative officers of the Commonwealth for the enactment of helpful legislation and the prevention of legislation not favorable to home and property owners as well as to REALTORS® and REALTOR-ASSOCIATE®s; 8. To work for economy and efficiency in government, the equalization of real estate assessments, and the spread of the tax base so that real estate bears only its fair share of taxation; 9. To lend assistance to the State Real Estate Commission in the enforcement of its regulations.

* Whenever the words "he", "him", or "his" appears, it shall be construed to also mean "she", "her", or "hers".

ARTICLE III

MEMBERSHIP

(Former Article III of the Constitution)

SECTION 1. CLASSES OF MEMBERS

The Members of this Association shall consist of the following classes: (A) Member Boards or Associations (hereinafter referred to as Member Boards), (B) REALTOR® Members, (C) Institute Affiliate Members, (D) Affiliate Members, (E) Administrative Members, and (F) REALTOR® Emeritus Members, and (G) Honorary Members.

(A) MEMBER BOARDS – An organized Board of REALTORS® in Pennsylvania eligible for Membership in the NATIONAL ASSOCIATION OF REALTORS® provided it has complied with such requirements as are contained in the Association’s Bylaws.

(B) REALTOR® MEMBERS – REALTOR® members shall be:

- (i) REALTOR® or REALTOR-ASSOCIATE® members of a Member Board;
- (ii) REALTOR® or REALTOR-ASSOCIATE® members of a local association of REALTORS® in another state who hold a Pennsylvania real estate license and who elect to hold membership as secondary members; or
- (iii) Corporate officers (who may be licensed or unlicensed) of a real estate franchise organization who are elected to membership in NAR pursuant to the provisions of the NAR Constitution and Bylaws.

(C) 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 individuals, if otherwise eligible, may elect to hold REALTOR® or REALTOR ASSOCIATE® Membership, subject to payment of applicable dues for such Membership. NOTE; Individuals can apply directly to an Institute, Society or Council of the National Association if they want to become Institute Affiliate Members.

(D) AFFILIATE MEMBERS – Affiliate Members shall be real estate owners and other individuals or firms who are affiliate members of Member Boards.

(E) ADMINISTRATIVE MEMBERS – Administrative Members shall be those persons employed in an executive, administrative or management capacity by a Member Board of the National Association or by any Institute, Society, or Council of the National Association. Administrative Members may not be licensed to sell real estate. Individuals who hold a license issued by the State Real Estate

Commission may become an Administrative Member by escrowing the license or by otherwise placing it on inactive status.

(F) REALTOR® EMERITUS MEMBERS – REALTOR® Emeritus Members shall be those REALTOR® Members who have held membership in the Pennsylvania Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, as a REALTOR®, REALTOR-ASSOCIATE®, or both, for a cumulative period of forty (40) years, and upon certification by the Board of Directors, shall be designated “REALTOR® Emeritus.”

(G) HONORARY MEMBERS – Honorary Members shall be individuals other than those engaged in the real estate business who have contributed notably to the Association. Honorary Membership shall be conferred by the Board of Directors.

SECTION 2. MEMBERSHIP AGREEMENT

The Board of Directors shall enter into a Membership agreement with the NATIONAL ASSOCIATION OF REALTORS®, which shall provide that all of the Member Boards of the State Association and REALTOR® Members must be, and continue to be, as a condition of membership in the State Association, members of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IV

DUES

(Former Article I of the Bylaws)

SECTION 1. MEMBER BOARD DUES

The annual dues of each Member Board as defined in ARTICLE III of these Bylaws shall be:

(A) An amount as set by the Pennsylvania Association of REALTORS® Board of Directors times the number of REALTOR® and REALTOR-ASSOCIATE® Members who hold primary Membership in the Board; plus

(B) An assessment set by the Board of Directors times the number of real estate licensees and licensed or certified appraisers employed by, affiliated as independent contractors, or licensed with REALTOR® Members of the Board who are not themselves REALTOR® or REALTOR-ASSOCIATE® Members or Institute Affiliate Members. For purposes of this section, an individual shall be deemed to be licensed with such REALTOR® if the license of the individual is held by a REALTOR® or by any broker who is licensed with the REALTOR® or by any 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 subsection 1 below), provided that such licensee is not otherwise included in the computation of dues payable by a sole proprietor, partner, corporate officer or individual in a position of management control of the entity

(i) 1. A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTORS® 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 that 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 REALTORS filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTORS®.

(C) \$12.00 times the number of honorary Members of the Board.

In calculating the dues payable by a Member Board, non-Members, defined in subsection B of this Section, shall not be included in the computation of dues if they have paid their primary Membership dues to another Board in the state or a state contiguous thereto, provided the Board notifies the state Association in writing of the identity of the Board to which dues have been remitted.

SECTION 2. DUES

The annual dues for REALTORS® who are members pursuant to Article III, Section 1 (B) (ii) and (iii) of these Bylaws shall be set annually by the Board of Directors.

SECTION 3. 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®.

SECTION 4. AFFILIATE MEMBERS

The annual dues of each Affiliate Member shall be set annually by the Board of Directors, upon recommendation from the Finance Committee.

SECTION 5. REALTOR® EMERITUS MEMBERS

A REALTOR® Emeritus shall not be required to pay dues.

SECTION 6. ADMINISTRATIVE MEMBERS

Administrative members shall not be required to pay dues.

SECTION 7. DISTINGUISHED SERVICE AWARD RECIPIENTS

A recipient of the Distinguished Service Award from the NATIONAL ASSOCIATION OF REALTORS® shall not be required to pay dues.

SECTION 8. ASSESSMENTS

The Board of Directors shall have the power to make temporary assessments to fund special projects of the Association.

SECTION 9. DUES COLLECTION POLICY

The Board of Directors shall have the power to promulgate and enforce a dues collection policy which shall include the power to assess a penalty, suspend, or revoke membership and/or voting privileges, for the late payment or nonpayment of dues.

SECTION 10. MEMBERS IN GOOD STANDING

Upon payment to the Pennsylvania Association of REALTORS® of the dues required under sections 1, 2, 3, and 4 of this article, each REALTOR® and Institute affiliate Member shall be deemed a REALTOR® or Institute Affiliate Member, as the case may be, in good standing of the Pennsylvania Association of REALTORS®. Upon payment of dues required under any other sections of this article, the individual making such payment shall be deemed a Member as designated in good standing of the Pennsylvania Association of REALTORS®.

SECTION 11. CERTIFICATION OF MEMBERS

In January of each year, each Member Board shall file with the Pennsylvania Association of REALTORS®, in such format as shall be determined by the Association, a list of its REALTOR®, REALTOR-ASSOCIATE® and Institute Affiliate Members and the Real Estate Salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with such REALTOR® Members, certified by the president and secretary of the Board, and that member Board shall pay dues for the current year on the basis of such list; provided, however, that adjustments shall be made each quarter for Members dropped or enrolled by the Member Board during the preceding quarter. On a quarterly basis, the Member Board shall report to the state Association the names and addresses of REALTOR®, REALTOR-ASSOCIATE®, and Institute Affiliate Members dropped or enrolled during the preceding quarter. Any Member Board or other Member delinquent in payment of dues by more than 90 days may be dropped from Membership in the Association by the Board of Directors.

ARTICLE V

USE OF THE TERM REALTOR®, REALTORS®, AND REALTOR-ASSOCIATE® BY MEMBERS AND OTHERS (Former Article XV of the Bylaws)

SECTION 1. USE OF TERM

Use the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® 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 State Association shall have authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within those areas of the state of Pennsylvania not within the jurisdiction of a Member Board. 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 for in the association's Code of Ethics and Arbitration Manual.

SECTION 2. REALTOR® MEMBERS

REALTOR® Members of the State Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their business so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

SECTION 3. USE BY PRINCIPALS

A REALTOR® Member who is a Principal of a Real Estate Firm, Partnership, or Corporation may use the terms REALTOR® or 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® or Institute Affiliate Members.

SECTION 4. REALTOR-ASSOCIATE® MEMBERS

REALTOR-ASSOCIATE® Member of the State Association shall have the right to use the term REALTOR-ASSOCIATE® so long as the remaining REALTOR-ASSOCIATE® Members in good standing and the REALTOR® Member with whom they are associated or by whom they are employed is also a REALTOR® Member in good standing.

SECTION 5. INSTITUTE AFFILIATE MEMBERS

An Institute Affiliate Member shall not use the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® and shall not use the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE VI

ADHERENCE TO THE CODE OF ETHICS BY MEMBERS

(Former Article XIV of the Bylaws)

SECTION 1. CODE OF ETHICS

The Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® is adopted as the Code of Ethics of this Association and shall be considered a part of its rules and regulations and shall be adhered to by all its Members. The current Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as adapted by the Pennsylvania Association of

REALTORS® and as from time to time amended by the Board of Directors, shall be considered a part of the rules and regulations of this Association.

ARTICLE VII

MISCONDUCT

(New Section)

SECTION 1. CONDUCT FOR WHICH MEMBER MAY BE DISCIPLINED

Members of the Association may be disciplined by the Executive Committee for misconduct or conduct detrimental to the Association that shall include, but is not limited to, the following: engaging in a course of conduct or repeatedly committing acts that is/are critically disruptive of the legitimate Association business activity as conducted by the Association Executive Officer, the Association staff, and/or the Association Officers. As used in this Article, “course of conduct” shall mean a pattern of actions composed of more than one act over a period of time, however short, evidencing a continuity of conduct. The term includes lewd, lascivious, threatening, or obscene words, language, drawings, caricatures, or actions that include strikes, shoves, kicks, or other similar physical contact, or attempts to threaten to do the same, and that serve no legitimate purpose.

SECTION 2. DISCIPLINARY PROCEDURES

Any complaint alleging conduct of the nature described in the preceding section shall be heard by a tribunal composed of five members of the Professional Standards Committee at a special meeting, called by the President or by a majority of the Executive Committee, where an evidentiary hearing shall take place. The procedures for notices, time of notice, and conduct of hearing described for matters before an Ethics Hearing Panel as set forth in the *Code of Ethics and Arbitration Manual*, as amended by the Pennsylvania Association of REALTORS® and the Association shall apply. The questions of fact for the tribunal to decide will be whether the person whose conduct is complained of has engaged in such conduct and, if so, whether the conduct was engaged in with a lack of legitimate reason and whether the acts or course of conduct critically interfered with the conduct of legitimate business purposes of the Association. Such must be established by clear and convincing evidence. The tribunal shall determine the appropriate sanction to impose from those authorized in the *Code of Ethics and Arbitration Manual*. The decision of the tribunal will be reviewed by the Executive Committee, which may amend the sanction. The sanction of termination of membership may only be imposed if approved by a two-thirds vote of those members of the Executive Committee present when the sanction is reviewed. Allowable grounds for appeal will be the same as those established for the appeal of an Ethics decision; appeals will follow the established procedures for appealing the decision of an Ethics Panel. The Appeal Hearing Panel will be composed of five members of the Professional Standards Committee who were not part of the original Hearing Panel.

SECTION 3. OTHER CAUSES

Nothing in this section is intended to preclude discipline of members for other reasons as may be provided for in these Bylaws.

ARTICLE VIII

BOARD OF DIRECTORS

SECTION 1. GOVERNANCE

(Former Article IV, Section 3 of the Constitution)

The government of the Association shall be vested in a Board of Directors composed of the following:

- (A) The President, President-elect, First Vice-President, the nine (9) District Vice-Presidents, and the Treasurer;
- (B) The Past Presidents of the Association who continue to be affiliated with the Association;
- (C) Members who are Directors to the NATIONAL ASSOCIATION OF REALTORS®;
- (D) REALTOR-ASSOCIATE®s during their term as President of a Board of REALTORS®;
- (E) One (1) representative of each Institute, Society and Council of the NATIONAL ASSOCIATION OF REALTORS®, to be elected by each body at an annual forum (See Article XI, Section 7);
- (F) One (1) REALTOR® or REALTOR-ASSOCIATE® Member designated by each Member Board. Member Boards that qualify for more than one (1) Director, and have REALTOR-ASSOCIATE® Members, shall designate or elect not less than one (1) REALTOR-ASSOCIATE® Member as a Director;
- (G) One hundred four (104) additional REALTOR® or REALTOR-ASSOCIATE® Members based upon the percentage of Primary Board REALTOR® and REALTOR-ASSOCIATE® Membership to that of the Association, provided there shall be a minimum of one (1) additional REALTOR® or REALTOR-ASSOCIATE® Member from each Member Board; Directors shall be designated or elected for terms of one (1) year each and shall be certified to the Association's office within ten (10) days of their appointment or election and be effective for the ensuing calendar year or until their successors are designated or elected by the Member Boards. Member Boards may designate one (1) alternate Director for each two (2) Directors (with a minimum of one (1)), who must be certified in the same manner as Directors.
- (H) Members of the Executive Committee.

SECTION 2. QUORUM

(Former Article IV, Section 3 of the Constitution)

One-third (1/3) of the whole Board of Directors shall constitute a quorum.

SECTION 3. RESPONSIBILITY

(Former Article IV, Section 1 of the Bylaws)

The Board of Directors shall be responsible to the Membership of the Association for formulating the policies of the Association.

The Board of Directors shall govern the finances of the Association and shall approve the annual budget. The Executive Committee (see Article VIII) may approve expenditures up to five (5) percent of any line item in the budget, and up to twenty (20) percent in an emergency. A majority of the President, the President-elect, the First Vice-President, and the Treasurer shall have the authority to appropriate funds when all of the following circumstances exist:

- (A) The need arises between meetings of the Board of Directors,
- (B) Delay in making the appropriation would cause substantial hardship to the Association,
- (C) The appropriation will not cause the line item involved to exceed One Hundred and Twenty (120) percent.

The accounts of the Association shall be audited by a Certified Public Accountant selected by the Board of Directors.

SECTION 4. REGULAR MEETING

(Former Article IV, Section 2 of the Bylaws)

The Board of Directors shall meet at least three (3) times each year at dates, times and places set by the Board of Director; the election of Officers shall take place at the final meeting. Attendance of members of the Board of Directors at all regular meetings is mandatory.

SECTION 5. SPECIAL MEETINGS

(Former Article IV, Section 3 of the Bylaws)

Special Meetings of the Board of Directors may be called at any time by the President upon ten (10) days written notice to the Membership and shall be called by him upon the written request of fifteen (15) Members of the Board addressed to the Association's Office in Harrisburg. Attendance of members of the Board of Directors at all special meetings is mandatory.

SECTION 6. TERMS

(Former Article IV, Section 5 of the Constitution)

The terms of all Directors shall be for one (1) year. All terms will commence on January 1 of the year in which the term begins and continue until successors are designated or elected.

SECTION 7. REMOVAL

(A) Any member of the Board of Directors who misses two consecutive meetings shall be removed from the Board unless such absence was excusable due to sickness or other reasons. It shall be the affirmative duty of the removed member to request reinstatement and provide proof to the Executive Committee of the Board, in advance of the next meeting of the Board of Directors, supporting the member's request for reinstatement on the basis that such absence(s) was excusable. The Executive Committee shall have sole discretion in such matters and shall make a final and binding determination of whether any absence was excusable and shall report their findings to the removed member and to the Board of Directors. The member shall be reinstated only if the Executive Committee finds that the member's absence(s) was excusable.

(B) Any member of the Board of Directors removed, but not reinstated, through the procedures set forth in this Section shall be deemed ineligible to be a member of the Board during the first two calendar years following the date of their removal. For purposes of this Section a removed member's date of removal shall be the date of the meeting of the Board on which the member's absence caused their removal.

(C) Any member of the Board of Directors who is also an Officer as defined in Article XIV who is removed, but not reinstated, through the procedures set forth in this Section shall be deemed ineligible to hold any Office defined in Article XIV during the first two calendar years following the date of their removal.

(D) All vacancies on the Board of Directors and/or among the Officers as defined in Article XIV shall be filled as set forth in Article XVII, subject to eligibility restrictions as set forth in this Section.

ARTICLE IX

EXECUTIVE COMMITTEE

SECTION 1. EXECUTIVE COMMITTEE

(Former Article IV, Section 4 of the Constitution)

There shall be an Executive Committee composed of the following:

(A) The President, the President-elect, the First Vice-President, the nine (9) District Vice-Presidents, the Treasurer and the Immediate Past President;

(B) Three representatives from the Institutes, Societies, and Councils affiliated with the NATIONAL ASSOCIATION OF REALTORS®, who shall be appointed by the President from the elected representatives serving on the Board of Directors.

(C) One representative each from the Small Member Boards, Medium Member Boards, and Large Member Boards (See Section 3, below) to be elected at annual forums (See Article XI, Section 7).

(D) One representative each from the small, medium, and large firms, to be elected at annual forums (See Article XI, Section 7).

(E) One Executive Officer from a Member Board to be elected by the Executive Officers at an annual forum. (See Article XI, Section 7).

(F) The Executive Vice-President of the Association, who shall be a non-voting member.

SECTION 2. QUORUM

(Former Article IV, Section 4 of the Constitution)

A quorum of the Executive Committee shall consist of sixty (60) percent of the total Membership of the Committee, at least four (4) of whom shall be Officers.

SECTION 3. DESIGNATIONS

(Former Article IV, Section 4 of the Constitution)

Small Member Boards, Medium Member Boards, Large Member Boards, and small, medium, and large firms shall be as defined by the Board of Directors

SECTION 4. RESPONSIBILITY

(Former Article V, Section 1 of the Bylaws)

The Executive Committee shall meet at the call of the President or the Board of Directors. It shall make recommendations to the Board of Directors, shall transact business of an emergency nature between meetings of the Board of Directors, and shall report such actions in full to the Board of Directors at its next meeting.

ARTICLE X

NATIONAL ASSOCIATION OF REALTORS® DIRECTORS

(Former Article X of the Bylaws)

SECTION 1. OFFICERS AND PAST PRESIDENTS AS NAR DIRECTORS

The President, President-Elect, and First Vice-President shall, while serving in their respective offices, serve as Directors of the NATIONAL ASSOCIATION OF REALTORS®. The immediate Past President, whose term of office as President shall have most recently expired, shall serve as a Director of the NATIONAL ASSOCIATION OF REALTORS® during the year following his presidency.

SECTION 2. REMAINING VACANCIES

The Board of Directors shall vote on the candidates who have submitted a completed application form at least twenty (20) days before the third business meeting. The vote count from a single election of the Board of Directors shall determine those candidates who are to receive NAR directorship.

SECTION 3. TERMS

Officers and the Immediate Past President will serve as Director during their current term only. Remaining directorships of the NATIONAL ASSOCIATION OF REALTORS® shall be for staggered terms of three years.

SECTION 4. VACANCIES

The President shall fill, by appointment, vacancies that occur during the term of a Directorship and, at the next meeting, shall present the appointments to the Board of Directors for approval.

ARTICLE XI

COMMITTEES, FORUMS AND PRESIDENTIAL AUTHORITY

(Former Article VI of the Bylaws)

SECTION 1. COMMITTEES

There shall be the following Committees:

- (A) CREDENTIALS COMMITTEE
- (B) EQUAL OPPORTUNITY COMMITTEE
- (C) GRIEVANCE COMMITTEE
- (D) LEGISLATIVE COMMITTEE
- (E) PROFESSIONAL STANDARDS COMMITTEE
- (F) REALTOR® OF THE YEAR COMMITTEE
- (G) STANDARD FORMS COMMITTEE

Members of Committees, with the exception of the Grievance Committee, will serve for terms of one (1) year, or until their successors are appointed and qualified.

The Grievance Committee will be composed of nine (9) Members, who shall serve for three (3) year terms or until their successors are appointed and qualified provided; however, of the initial appointments, three (3) shall be for a term of three (3) years, three (3) shall be for a term of two (2) years, and three (3) shall be for a term of one (1) year. No member shall serve for more than six (6) consecutive years.

SECTION 2. FINANCE COMMITTEE

There shall be a Finance Committee composed of nine (9) appointees who are not members of the Executive Committee. The Members shall serve for three (3) year terms or until their successors are appointed and qualified provided, however, that of the initial appointments, three (3) shall be for a term of three (3) years, three (3) shall be for a term of two (2) years, and three (3) shall be for a term of one (1) year. No member shall serve for more than six (6) consecutive years. The Treasurer shall serve

as Chairman of the Committee. The Finance Committee shall propose the annual budget and make recommendations for approval of unbudgeted items to the Executive Committee and Board of Directors.

SECTION 3. PAST PRESIDENTS COUNCIL

There shall be a Past President's Council consisting of all active Past Presidents of the Association. The Chairman of the Council shall be elected by the Members of the Council. The Council will act in an advisory capacity to the Officers of the Association and to assist the Association in identifying future leaders of the Association.

SECTION 4. ASSOCIATION HEADQUARTERS AND STAFFING NEEDS COMMITTEE

There shall be an Association Headquarters and Staffing Needs Committee comprised of five (5) members, two (2) of whom shall be Past Presidents of the Association, and one (1) of whom shall be Treasurer of the Association. The Treasurer shall serve a term of one (1) year, and all other members shall serve staggered terms of four (4) years. In the year 2000, only the Treasurer shall be appointed to the Committee; the remaining Members shall continue to serve for the duration of their appointments. Appointments beginning in the year 2001 shall include the Treasurer and one other Member who shall serve a term of four (4) years. Members will continue to serve until their successors are appointed and qualified. No member shall serve for more than four (4) consecutive years. The Executive Vice-President shall attend the meetings of the Committee (except during discussions of the Executive Vice-President's contract or salary) as a non-voting member.

SECTION 5. COMMERCIAL, INDUSTRIAL AND INVESTMENT COMMITTEE

There shall be a Commercial, Industrial, and Investment Committee of nineteen (19) Members, comprised of but not limited to, representation from the Commercial Overlay Boards, the Institute of Real Estate Management, the Society of Industrial and Office REALTORS® and the Certified Commercial and Industrial Members. Members shall serve staggered terms of three (3) years or until their successors are appointed and qualified, provided, however, that of the initial appointments, six (6) shall be for three years, six (6) shall be for two years, and seven (7) shall be for one year, one of whom shall be the Chairman. No member shall serve for more than six (6) consecutive years.

SECTION 6. ADDITIONAL COMMITTEES

The President may upon his own initiative or by the direction of the Board of Directors, or the Executive Committee, create or appoint task forces to function during his term of office or *ad hoc* committees to function until its assignment has been completed.

SECTION 7. FORUMS

At the third business meeting, forums will be held in order to elect representatives to the Board of Directors, pursuant to Article VIII, Section 1 (E), and the Executive Committee, pursuant to Article IX, Section 1 (C), (D) and (E). From time to time, there will be forums held at the call of the President to discuss issues relevant to the membership.

SECTION 8. REPRESENTATION

As far as possible, all nine (9) Districts of the Association shall be represented on Committees.

SECTION 9. ATTENDANCE

Absence from two (2) consecutive meetings by a member of any Committee created by this Article shall constitute cause for removal by the President.

SECTION 10. EX-OFFICIO MEMBERS

Ex-Officio Committee Members, unless designated in these Bylaws, shall not have the right to vote.

ARTICLE XII

PERSONAL LIABILITY OF DIRECTORS

(Former Article VIII of the Constitution)

SECTION 1. GENERAL RULE

A Director or representative of the Association shall not be personally liable for monetary damages for any action taken or failure to take any action, except to the extent that exemption from liability from monetary damages is not permitted under the laws of the Commonwealth of Pennsylvania as now or 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 Non-Profit corporation Law of 1988 (15 Pa. C.S.A. §§ 5101, et seq.) or under any other law now or hereafter in effect.

SECTION 2. 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 any action, or events which occurred prior to the effective date of such modification or repeal.

ARTICLE XIII

INDEMNIFICATION

(Former Article IX of the Constitution)

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 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 investigating (including without limitation, actions by or in right of the Association), by reason of the fact that he is or was a Director or Officer of the Association, or partnership, joint venture, trust or other enterprise, and may, to the fullest extent permitted under the law of the Commonwealth of Pennsylvania as now or hereafter in effect, indemnify any person (and his heirs, executors and administrators) who was or is a party witness or other participant, or administrative or investigative (including, without limitation, actions by or in the name of the Association), by reason of the fact that he 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 attorney's 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 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 the person seeking indemnification acted in good faith in a manner he reasonably believed to be in or not opposed to the best interests of the Association and with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

SECTION 3. PROCEDURE

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 is proper in the circumstances because the person seeking indemnification has met the applicable standard of conduct set forth in Section 2 above. 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 in its discretion determine to be appropriate, the Association shall (in the case of a Director or Officer) and may (in the case of an employee or agent) advance all reasonable expenses (including attorneys' 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, after receipt of a written promise 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 is not entitled to be indemnified by the Association under the provisions of this Article.

Notwithstanding the provisions of the preceding paragraph, 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 under all the circumstances

because there is sufficient reason to believe that the person seeking the advance failed to meet the applicable standard of conduct set forth in Section 2 above.

ARTICLE XIV

ADMINISTRATION

SECTION 1. OFFICERS

(Former Article IV, Section 1 of the Constitution)

The Officers of the Association, all of whom shall be REALTOR® Members in good standing thereof, shall be a President, a President-Elect who shall succeed to the Presidency, a First Vice-President, nine (9) District Vice-Presidents, and a Treasurer.

(A) A candidate for an Office of the Association shall be required to be endorsed by the Member Board in which he/she holds primary membership and have served as Director of this Association for at least one year.

(B) In addition, a candidate for a Line Office shall:

(i) have served in any one of the following for at least (1) year: District Vice-President, Member Board President, or Chair of a Committee or Task Force of this Association; and

(ii) have as his/her principal vocation any of the following, alone or in combination: real estate brokerage, sales, leasing, or office management; property management; licensed real estate education; or real estate appraising.

(C) The District Vice-Presidents from the odd-numbered Districts shall be selected and elected in one (1) year and the District Vice-Presidents from the even-numbered Districts shall be selected and elected the following year, and so on from year to year. The nine (9) Districts shall be designated as the:

Northeastern District	No. 1
Southeastern District South	No. 2
Philadelphia District	No. 3
Southern Central District	No. 4
Northern Central District	No. 5
Southwestern District	No. 6
Northwestern District	No. 7
Pittsburgh District	No. 8
Southeastern District North	No. 9

The Board of Directors, may at its discretion at an Annual Meeting, change the Districts and define precise boundary limits of the various Districts.

SECTION 2. EXECUTIVE VICE-PRESIDENT

(Former Article IV, Section 2 of the Constitution)

There shall be an Executive Vice-President who shall be appointed by the Executive Committee, subject to the approval of the Board of Directors, at such rate of compensation as is also approved by the Board of Directors. He shall provide a surety bond in such amount as the Board of Directors shall determine, the cost of the same to be borne by the Association.

SECTION 3. TERMS

(Former Article IV, Section 5 of the Constitution)

The terms of all Officers (with the exception of the District Vice-Presidents) shall be for one (1) year. The terms of the District Vice-Presidents shall be for two (2) years. All terms shall commence January 1 of the year in which the term begins and continue until successors are designated or elected.

ARTICLE XV

OFFICERS' DUTIES

(Former Article III of the Bylaws)

SECTION 1. PRESIDENT

The President shall be the chief executive officer of the Association and shall preside at its meetings and those of the Executive Committee and the Board of Directors, between the sessions of which he shall represent the Association and act in the Association's name, subject to the policies of the Board of Directors. He shall appoint all Committees and designate Committee Chairmen unless otherwise provided in these Bylaws, shall be an ex-officio member of all Committees, except the Nominations Committee, and shall perform all other duties usual to the office.

SECTION 2. PRESIDENT-ELECT

In the event of the absence or disability of the President, the President-Elect shall perform the duties of the President. The President-Elect shall act as the representative of the President in such matters as may be assigned him.

SECTION 3. FIRST VICE-PRESIDENT

In the event of the absence or disability of both the President and the President-Elect, the First Vice-President shall act as the representative of the President in such matters as may be assigned to him.

SECTION 4. DISABILITY OF PRESIDENT, PRESIDENT-ELECT, AND FIRST VICE-PRESIDENT

In the event of the absence or disability of the President, the President-Elect, and the First Vice-President, the Board of Directors shall designate, by majority vote, the Vice-President among those remaining who shall perform the duties of the President.

SECTION 5. DISTRICT VICE-PRESIDENT

A District Vice-President shall serve as liaison to the constituent Boards comprising his District and act as the representative of the President in such matters as may be assigned to him.

SECTION 6. TREASURER

The Treasurer shall be responsible for the funds and securities of the Association and shall render, or cause to be rendered, proper written reports at the Annual Meeting or Convention of the Association and at the meetings of the Executive Committee and Board of Directors.

SECTION 7. EXECUTIVE VICE-PRESIDENT

The Executive Vice-President shall be responsible for the operation of the Association, and maintaining the records thereof, and shall be entitled to attend all meetings of the Association, the Executive Committee, and the Board of Directors. The Executive Vice-President shall act as Secretary of the Association. He shall be responsible for planning, executing, and implementing the policies, programs, and activities of the Association and shall make periodic reports to the President, the Executive Committee, and the Board of Directors on the operations of the Association.

He shall have the authority to recruit, hire, train, evaluate, and terminate such employees as are necessary, subject to budgetary restrictions, for the operation of the Association, and supervise the employees and operation of the Association.

In conjunction with the Treasurer, he shall be responsible for the funds and securities of the Association, shall maintain such bank accounts as authorized by the Board of Directors, shall render, or cause to be rendered, proper written reports at the Annual Meeting or Convention of the Association and the meetings of the Executive Committee and Board of Directors, and shall produce account records for examination when requested to do so.

He shall have custody of the corporate seal. He shall have the power to make, under the direction of and subject to the approval of the Board of Directors, any and all contracts for the Association, except as the Board of Directors may by resolution or record otherwise provide.

ARTICLE XVI

SCREENING AND ELECTIONS

(Former Article VI of the Constitution)

SECTION 1. SCREENING COMMITTEE

There shall be a Screening Committee consisting of the Immediate Past President who shall act as Chairman, one (1) representative from each District who shall be selected by the District at a District Meeting called by the District Vice-President during the first business meeting of the Association each year, and two (2) Past Presidents, one of whom shall be appointed by the President and one of whom shall be elected by the Past Presidents Council. The District representatives selected shall be a District

Vice-President not running for election, or an individual who has served as a Director of the Association for two (2) of the last six (6) years, or a past elected Officer. The Members shall be named during the first business meeting each year. Members of the Association shall be given notice of the names of the Members of the Committee in the subsequent membership publication.

SECTION 2. SCREENING OF APPLICANTS

Individuals wishing to run for Office shall submit a completed application on a form supplied by the Association, to the Screening Committee no later than twenty (20) days prior to the first day of the second set of business meetings held in the year preceding the date on which the term of the Office shall commence. The Screening Committee shall meet in closed session during the second set of business meetings for the purpose of interviewing applicants for Office and to determine whether the applicants meet the qualifications for Office set forth in Article XIV, Section 1, of these Bylaws. The report of the Screening Committee shall consist of the names of all candidates who are qualified pursuant to Article XIV, Section 1 of these Bylaws and shall be made to the Board of Directors at its second set of business meetings. An open meeting shall take place at the second set of business meetings for the purpose of allowing the qualified candidates to address the Members of the Association. The Members of the Association shall be given notice of the names of the qualified candidates in the next-published membership publication.

SECTION 3. ELECTIONS

(A) **General Rule** - Elections, except those provided for in sub-section (B) of this Section, shall be by Accredited Directors, voting by ballot, unless the election is not contested, in which event the method of election shall be determined by the Directors. In the event there are more than two candidates for an office and a candidate does not receive a majority of the votes cast on the first ballot, there shall be a run-off election between the two candidates who received the most votes.

(B) Elections for District Vice-Presidents shall be by accredited Directors of the respective districts, voting by ballot, unless the election is not contested, in which event the method of election shall be determined by the Directors of the respective district. The election will take place at a District meeting held in conjunction with the final business meeting of the Association for the year preceding the year for which the District Vice-Presidents shall take office. In the event there are more than two candidates for the office of District Vice-President, and a candidate does not receive a majority of the votes cast on the first ballot, there shall be a run-off election between the two candidates who received the most votes.

ARTICLE XVII

VACANCIES

(Former Article VII of the Constitution)

SECTION 1. VACANCIES

Vacancies among the Officers shall be filled by the Board of Directors for the unexpired terms. The President shall fill, by appointment, vacancies on the Board of Directors and the Executive Committee, and at the next meeting shall present his appointments to the Board for its approval.

ARTICLE XVIII

RULES FOR MEETINGS

(Former Article XIII of the Bylaws)

SECTION 1. ORDER OF BUSINESS

The order of business for the Annual Meeting of the Association, except when otherwise ordered by the Board of Directors, shall be:

- (A) Call to Order and Taking of the Roll Call
- (B) Reading of the Minutes
- (C) Applications for Membership
- (D) Reports of Officers
- (E) Reports of Committees
- (F) Reports of Nominations Committee
- (G) Election of Officers
- (H) Report of Resolutions Committee
- (I) Unfinished Business
- (J) New Business
- (K) Adjournment

SECTION 2. AUTHORITY

The Robert's Rules of Order, latest edition, shall be recognized as the authority governing all meetings and Conventions, when not in conflict with these Bylaws.

ARTICLE XIX

CONVENTION

SECTION 1. CONVENTION

(Former Article V, Section 1 of the Constitution)

The Association may hold a Convention of its Membership in conjunction with any regular meeting of the Board of Directors, or at a time and place determined by the Board of Directors.

SECTION 2. REGISTRATION FEES

(Former Article II, Section 1 of the Bylaws)

A registration fee to be set by the Executive Committee, subject to the approval of the Board of Directors, shall be charged to each person attending the Convention of the Association, the proceeds of which shall be used for defraying the expenses of the Convention, any balance to go into the general fund of the Association.

ARTICLE XX

RPAC

(Former Article VII of the Bylaws)

SECTION 1. NAME

There shall be a Committee of the Association which shall bear the title REALTORS® Political Action Committee.

SECTION 2. TRUSTEES

The Committee shall consist of eighteen (18) Trustees (two from each District).

SECTION 3. TERM

Each Committee Trustee shall serve for a term of three (3) years, but none shall serve for more than two (2) consecutive three-year terms. If any vacancies shall occur in the Committee, the President shall fill such vacancy by appointing a new Trustee to fill the remainder of the term. Such new Trustee shall be from the same District as the Trustee whose vacancy is being filled. Any Trustee to fill a vacancy shall, at the expiration of such term, be eligible for appointment to two (2) consecutive three-year terms

SECTION 4. APPOINTMENT

Committee Trustees shall be appointed by the President with the approval of the Board of Directors. The Committee Trustees shall provide the President with a list of nominees which shall be

preferential, but not binding. The Chairman, Vice Chairman, and Treasurer shall be elected by the Trustees of the Committee.

SECTION 5. EXECUTIVE COMMITTEE

An Executive Committee, consisting of the Chairman, Vice Chairman, and Treasurer shall have the authority to make decisions in the event a regular or special meeting of the entire Committee cannot be convened. If the decision of the Executive Committee will have an impact upon a specific District, the Trustees from that District shall serve with the Executive Committee with each having a vote with respect to such decision.

SECTION 6. FUND RAISING COMMITTEE

A Fund Raising Committee, consisting of the Trustees and local association/board RPAC chairpersons, shall assist and advise RPAC in its fund raising endeavors.

SECTION 7. ATTENDANCE

Any absence from two (2) meetings in a twelve (12) month period by a Committee Trustee shall constitute cause for removal by the President.

SECTION 8. PURPOSES

The purposes of the Committee are:

- (A) To promote and strive for the improvement of government by encouraging and stimulating REALTORS® and others to take a more active and effective part in governmental affairs.
- (B) To encourage REALTORS® and others to understand the nature and action of their government, as to important political issues, and as to the records of office holders and candidates for elective office.
- (C) (C) To assist REALTORS® and others in organizing themselves for more effective political action and in carrying out their civic responsibilities.
- (D) To support candidates for election to legislative and executive offices of the Commonwealth of Pennsylvania, and to provide funds for national political committees, and local political action committees.
- (E) To do any and all things necessary or desirable for the attainment of the purposes stated above.
- (F) To cooperate with national, and other state and local political action committees when in the best interests of the PAR RPAC.

SECTION 9. RULES

The Committee Trustees shall adopt, with the approval of the Board of Directors, a set of rules and regulations for the operation of the Committee.

SECTION 10. FUNDS

(A) Funds collected by the Committee shall be maintained in separate accounts in conformity with the laws of Pennsylvania.

(B) Funds shall be disbursed at the discretion of the Committee according to RPAC Rules & Regulations, Section 5. Deposit and Disbursement of Funds.

ARTICLE XXI

LEGAL ACTION FUND

(Former Article VIII of the Bylaws)

SECTION 1. THE TRUSTEES

There shall be five (5) Trustees appointed by the President, with the consent of the Executive Committee, each for a term of five (5) years, except that four of the first five (5) Trustees shall be appointed for terms respectively of one (1), two (2), three (3) and four (4) years. Each year the Trustees shall select from their number a Chairman and a Secretary for a term of one (1) year.

Expenses of the Trustees in the performance of their duties will be defrayed from income accruing to the Fund from investment of its corpus.

SECTION 2. ATTENDANCE

Absence from two (2) consecutive meetings by a trustee shall constitute cause for removal by the President.

SECTION 3. THE FUND

The Fund shall be maintained by an assessment made under Article IV, Section 8 of these Bylaws. When the Fund reaches an amount of \$350,000, the annual assessment shall be discontinued until such time as the Fund is reduced to the amount of \$300,000.

SECTION 4. PURPOSE

The purpose of the Legal Action Fund is to:

(A) Permit assistance by Association Counsel to the Counsel of contributing Member Boards/Associations on matters relating to claims;

(B) Provide legal defense assistance to Member Boards/Associations sued because of the action of their Board of Directors, Officers, or Members in the performance of their duties when the action resulting in the litigation was taken in accordance with procedures adopted or recommended by the Pennsylvania Association of REALTORS® or the NATIONAL ASSOCIATION OF REALTORS®.

(C) Defray costs and legal fees, provide resources and/or provide technical legal assistance, including, but not limited to, research and document preparation, including the preparation of legal memoranda and briefs:

(i) In cases where the Association or one of its Member Boards/Associations is a party in an action in which the interests of the Association or a Member Board/Association are placed in jeopardy;

(ii) In cases where principles of importance generally to Member Boards/Associations or Members are involved;

(iii) In cases where the Association initiates or supports legal action on an issue of overriding importance to the real estate industry; and

(iv) In cases at the appellate level that are likely to yield written decisions affecting the industry.

(D) Fund research and preparation of legal opinions on real estate related matters.

SECTION 5. RULES AND REGULATIONS

Rules and Regulations for the management and operation of the Fund shall be adopted by the Trustees with the approval of the Association's Executive Committee. Such Rules and Regulations shall be reviewed annually by the Trustees.

ARTICLE XXII

ISSUES MOBILIZATION

(Former Article IX of the Bylaws)

SECTION 1. NAME

There shall be a Committee of the Association which shall bear the title REALTORS® Issues Mobilization Committee.

SECTION 2. MEMBERS

The Committee shall consist of:

- (A) One (1) member from each District, and
- (B) Four (4) members at large, and
- (C) The immediate past Chairman of the Committee, and
- (D) Provided he is not serving under (A), (B), or (C) above, the Pennsylvania member of the NATIONAL ASSOCIATION OF REALTORS® Issues Mobilization Committee.

SECTION 3. TERMS

The appointed members of the Committee shall serve for three (3) years, but none shall serve more than two (2) consecutive terms.

SECTION 4. APPOINTMENT

The Committee Members shall be appointed by the President with the approval of the Board of Directors. The Committee Members shall provide the President with a list of nominees which shall be preferential but not binding. The Chairman, Vice-Chairman, and Treasurer shall be elected by the Members of the Committee.

SECTION 5. ATTENDANCE

Absence from two (2) consecutive meetings by a Committee member shall constitute cause for removal by the President.

SECTION 6. PURPOSES

The purposes of the Committee are:

- (A) To collect and disburse contributions to support or oppose federal, state and local issues that impact upon the ownership and use of real property.

(B) To support grass roots lobbying and education efforts on issues relating to the interest of real property users and owners.

(C) To improve public policy by encouraging and stimulating REALTORS® and others to take a more active and effective role in government decision making and legislative process regarding issues involving the use and ownership of real estate.

(D) To assist Member Boards in the organization of issues mobilization committees.

SECTION 7. RULES

The Committee shall adopt, with the approval of the Board of Directors, a set of Rules and Regulations for the operation of the Committee.

SECTION 8. FUNDS

(A) Funds collected by the Committee shall be maintained in the name of the Association in a separate account.

(B) Funds shall be disbursed at the discretion of the Committee.

ARTICLE XXIII

COUNSEL

(Former Article XI of the Bylaws)

SECTION 1. COUNSEL

The Board of Directors shall employ Counsel and fix his compensation.

ARTICLE XXIV

CONSIDERATION FOR SERVICE

(Former Article XII of the Bylaws)

SECTION 1. CONSIDERATION FOR SERVICE

The consideration for services rendered this Association by any and all Officers or Committees thereof shall be the benefit derived from the Membership in the Association, and no compensation shall be paid to any member for any services.

SECTION 2. MEMBERSHIP EMBLEM

It is agreed that any certificate, emblem, or other evidence of Membership in the Association which may be issued shall at all times remain the property of the Association, held by a member in trust and

will be returned to the Association upon demand if and when for any reason Membership in the Association is terminated.

ARTICLE XXV

FISCAL YEAR

(Former Article XVI of the Bylaws)

SECTION 1. FISCAL YEAR

The fiscal year of this Association shall be the calendar year.

ARTICLE XXVI

AMENDMENTS

(Former Article X of the Constitution)

SECTION 1. AMENDMENTS

Amendments to those portions of these Bylaws mandated by the NATIONAL ASSOCIATION OF REALTORS® shall be adopted without action of the Board of Directors. All other amendments will be accomplished in conformity with the following procedures.

SECTION 2. SUBMISSION OF AMENDMENTS

The Board of Directors shall consider and vote upon proposed amendments submitted to it by:

- (A) The Executive Committee;
- (B) A Member Board of the Association;
- (C) A Committee, task force, advisory group, or forum of this Association;
- (D) A Member of this Association provided the proposed amendment is accompanied by a petition signed by not less than twenty-five (25) Members; or
- (E) The NATIONAL ASSOCIATION OF REALTORS®

SECTION 3. PASSAGE

If the Board of Directors approves a proposed amendment, the amendment shall be submitted to the Directors at the next regularly scheduled meeting, provided: (a) that the language has been reviewed for conformity with this Constitution & Bylaws; (b) that thirty (30) days previous notice in writing has been given to all Member Boards. The proposed amendment will be adopted upon approval by a two-thirds (2/3) vote of the Directors present. Any additions or changes to a proposed amendment

following the thirty (30) days previous notice in writing should be submitted in writing to the Association at least five (5) days prior to the Board of Directors meeting.

SECTION 4. EFFECTIVE DATES OF AMENDMENTS

The effective date of all amendments shall be January 1 of the year following adoption, unless stipulated otherwise by the Board of Directors.

APPENDIX

INDEX TO PAR BYLAWS

	ART.	SEC.	PAGE
ADDITIONAL COMMITTEES	XI	6	14
ADHERENCE TO THE CODE OF ETHICS BY MEMBERS	VI	1	7
ADMINISTRATION	XIV		17
ADMINISTRATIVE MEMBERS, DUES	IV	6	5
ADMINISTRATIVE MEMBERS, MEMBERSHIP	III	1 (E)	3
ADVANCE PAYMENT OF EXPENSES, INDEMNIFICATION	XIII	4	16
AFFILIATE MEMBERS, DUES	IV	4	5
AFFILIATE MEMBERS, MEMBERSHIP	III	1 (D)	3
AGREEMENT - NAR, MEMBERSHIP	III	2	4
AMENDMENTS - BYLAWS	XXVI	1	28
APPOINTMENT, ISSUES MOBILIZATION	XXII	4	26
ASSESSMENTS, DUES	IV	8	6
ASSOCIATION HEADQUARTERS AND STAFFING NEEDS COMMITTEE	XI	4	14
ATTENDANCE, COMMITTEE MEMBER	XI	9	15
ATTENDANCE, ISSUES MOBILIZATION	XXII	5	26
ATTENDANCE, LEGAL ACTION FUND	XXI	2	24
ATTENDANCE, RPAC	XX	7	23
AUTHORITY - ROBERT'S RULES OF ORDER, RULES FOR MEETINGS	XVIII	2	21
BOARD OF DIRECTORS	VIII		9
BOARD OF DIRECTORS, COUNSEL	XXIII	1	27
BYLAWS, AMENDMENTS	XXVI	1	28
BYLAWS, EFFECTIVE DATES OF AMENDMENTS	XXVI	4	29
BYLAWS, PASSAGE OF AMENDMENTS	XXVI	3	28
BYLAWS, SUBMISSION OF AMENDMENTS	XXVI	2	28
CERTIFICATION OF MEMBERS, DUES	IV	11	6
CLASSES OF MEMBERS, MEMBERSHIP	III	1	3
CODE OF ETHICS, ADHERENCE	VI	1	7
COMMERCIAL, INDUSTRIAL AND INVESTMENT COMMITTEE	XI	5	14
COMMITTEE - DISTRICT REPRESENTATION	XI	8	15
COMMITTEE MEMBER, ATTENDANCE	XI	9	15
COMMITTEE, COMMERCIAL, INDUSTRIAL AND INVESTMENT COMMITTEE	XI	5	14

	ART.	SEC.	PAGE
COMMITTEE, CREDENTIALS COMMITTEE	XI	1 (A)	13
COMMITTEE, EQUAL OPPORTUNITY COMMITTEE	XI	1 (B)	13
COMMITTEE, FINANCE	XI	2	13
COMMITTEE, GRIEVANCE COMMITTEE	XI	1 (C)	13
COMMITTEE, LEGISLATIVE COMMITTEE	XI	1 (D)	13
COMMITTEE, PROFESSIONAL STANDARDS COMMITTEE	XI	1 (E)	13
COMMITTEE, REALTOR® OF THE YEAR COMMITTEE	XI	1 (F)	13
COMMITTEE, STANDARD FORMS COMMITTEE	XI	1 (G)	13
COMMITTEES	XI	1	13
COMMITTEES, FORUMS AND PRESIDENTIAL AUTHORITY	XI		13
COMPOSITION, EXECUTIVE COMMITTEE -	IX	1	11
CONDUCT - MEMBER DISCIPLINE, MISCONDUCT	VII	1	8
CONSIDERATION FOR SERVICE	XXIV		27
CONSIDERATION FOR SERVICE, OFFICERS AND/OR COMMITTEES	XXIV	1	27
CONVENTION - PAR	XIX		22
COUNSEL	XXIII		27
COUNSEL, BOARD OF DIRECTORS	XXIII	1	27
CREDENTIALS COMMITTEE	XI	1 (A)	13
DESIGNATIONS, EXECUTIVE COMMITTEE	IX	3	12
DISABILITY OF PRESIDENT, PRESIDENT-ELECT, AND FIRST VICE-PRESIDENT	XV	4	18
DISCIPLINARY PROCEDURES, MISCONDUCT	VII	2	8
DISTINGUISHED SERVICE AWARD RECIPIENTS - NAR, DUES	IV	7	5
DISTRICT VICE-PRESIDENT, OFFICERS' DUTIES	XV	5	19
DUES	IV		4
DUES COLLECTION POLICY	IV	9	6
DUES, REALTORS®	IV	2	5
DUTIES OF OFFICERS	XV		18
EFFECTIVE DATES OF AMENDMENTS - BYLAWS	XXVI	4	29
ELECTIONS	XVI	3	20
EQUAL OPPORTUNITY COMMITTEE	XI	1 (B)	13
EXECUTIVE COMMITTEE	IX		11
EXECUTIVE COMMITTEE, COMPOSITION	IX	1	11
EXECUTIVE COMMITTEE, DESIGNATIONS	IX	3	12
EXECUTIVE COMMITTEE, QUORUM	IX	2	12
EXECUTIVE COMMITTEE, RESPONSIBILITY	IX	4	12

	ART.	SEC.	PAGE
EXECUTIVE COMMITTEE, RPAC	XX	5	23
EXECUTIVE VICE-PRESIDENT, ADMINISTRATION	XIV	2	18
EXECUTIVE VICE-PRESIDENT, OFFICERS' DUTIES	XV	7	19
EX-OFFICIO COMMITTEE MEMBERS	XI	10	15
FINANCE COMMITTEE	XI	2	13
FIRST VICE-PRESIDENT, OFFICERS' DUTIES	XV	3	18
FISCAL YEAR	XXV		28
FORUMS, COMMITTEES	XI	7	14
FUND RAISING COMMITTEE, RPAC	XX	6	23
FUNDS, ISSUES MOBILIZATIONS	XXII	8	27
FUNDS, RPAC	XX	10	24
GENERAL RULE, INDEMNIFICATION	XIII	1	15
GENERAL RULE, PERSONAL LIABILITY OF DIRECTORS	XII	1	15
GOVERNANCE, BOARD OF DIRECTORS	VIII	1	9
GRIEVANCE COMMITTEE	XI	1 (C)	13
HONORARY MEMBERS, MEMBERSHIP	III	1 (G)	4
INDEMNIFICATION	XIII		15
INSTITUTE AFFILIATE MEMBERS, DUES	IV	3	5
INSTITUTE AFFILIATE MEMBERS, MEMBERSHIP	III	1 (C)	3
INSTITUTE AFFILIATE MEMBERS, USE OF TERM	V	5	7
ISSUES MOBILIZATION	XXII		26
ISSUES MOBILIZATION, APPOINTMENT	XXII	4	26
ISSUES MOBILIZATION, ATTENDANCE	XXII	5	26
ISSUES MOBILIZATION, FUNDS	XXII	8	27
ISSUES MOBILIZATION, MEMBERS	XXII	2	26
ISSUES MOBILIZATION, NAME	XXII	1	26
ISSUES MOBILIZATION, PURPOSE	XXII	6	26
ISSUES MOBILIZATION, RULES	XXII	7	27
ISSUES MOBILIZATION, TERMS	XXII	3	26
LEGAL ACTION FUND	XXI		24
LEGAL ACTION FUND, ATTENDANCE	XXI	2	24
LEGAL ACTION FUND, FUND	XXI	3	24
LEGAL ACTION FUND, PURPOSE	XXI	4	25
LEGAL ACTION FUND, RULES AND REGULATIONS	XXI	5	25
LEGAL ACTION FUND, TRUSTEES	XXI	1	24
LEGISLATIVE COMMITTEE	XI	1 (D)	13

	ART.	SEC.	PAGE
MEMBER BOARD DUES	IV	1	4
MEMBER BOARDS, MEMBERSHIP	III	1 (A)	3
MEMBERS IN GOOD STANDING, DUES	IV	10	6
MEMBERS, ISSUES MOBILIZATION	XXII	2	26
MEMBERSHIP	III		3
MEMBERSHIP AGREEMENT - NAR	III	2	4
MEMBERSHIP EMBLEM - OWNERSHIP	XXIV	2	27
MISCONDUCT - MEMBER	VII		8
MODIFICATION OR REPEAL, PERSONAL LIABILITY OF DIRECTORS	XII	2	15
NAME	I	1	2
NAME AND SEAL	I		2
NAME, ISSUES MOBILIZATION	XXII	1	26
NAME, RPAC	XX	1	22
NATIONAL ASSOCIATION OF REALTORS® DIRECTORS	X		12
OBJECTS - OF ASSOCIATION	II		2
OFFICER VACANCIES	XVII	1	21
OFFICER, SCREENING OF	XVI	2	20
OFFICERS AND PAST PRESIDENTS AS NAR DIRECTORS	X	1	12
OFFICERS TERMS, ADMINISTRATION	XIV	3	18
OFFICERS, ADMINISTRATION	XIV	1	17
OFFICERS' DUTIES	XV		18
OFFICERS' DUTIES , FIRST VICE-PRESIDENT	XV	3	18
OFFICERS' DUTIES, DISTRICT VICE-PRESIDENT	XV	5	19
OFFICERS' DUTIES, EXECUTIVE VICE-PRESIDENT	XV	7	19
OFFICERS' DUTIES, PRESIDENT	XV	1	18
OFFICERS' DUTIES, PRESIDENT-ELECT	XV	2	18
OFFICERS' DUTIES, TREASURER	XV	6	19
ORDER OF BUSINESS - ANNUAL MEETINGS	XVIII	1	21
OTHER CAUSES - MEMBER DISCIPLINE, MISCONDUCT	VII	3	9
PAR CONVENTION	XIX	1	22
PASSAGE, AMENDMENTS - BYLAWS	XXVI	3	28
PAST PRESIDENTS COUNCIL	XI	3	14
PERSONAL LIABILITY OF DIRECTORS	XII		15
PRESIDENT, OFFICERS' DUTIES	XV	1	18
PRESIDENT-ELECT, OFFICERS' DUTIES	XV	2	18

	ART.	SEC.	PAGE
PROCEDURE, INDEMNIFICATION	XIII	3	16
PROFESSIONAL STANDARDS COMMITTEE	XI	1 (E)	13
PURPOSE, ISSUES MOBILIZATION	XXII	6	26
PURPOSE, LEGAL ACTION FUND	XXI	4	25
PURPOSES, RPAC	XX	8	23
QUORUM, BOARD OF DIRECTORS	VIII	2	10
QUORUM, EXECUTIVE COMMITTEE	IX	2	12
REALTOR® EMERITUS MEMBERS, DUES	IV	5	5
REALTOR® EMERITUS MEMBERS, MEMBERSHIP	III	1 (F)	4
REALTOR® MEMBERS, MEMBERSHIP	III	1 (B)	3
REALTOR® MEMBERS, USE OF TERM	V	2	7
REALTOR® OF THE YEAR COMMITTEE	XI	1 (F)	13
REALTOR®, REALTORS®, AND REALTOR-ASSOCIATE®, USE OF TERM	V	1	6
REALTOR-ASSOCIATE® MEMBERS, USE OF TERM	V	4	7
REALTORS® DUES	IV	2	5
REGISTRATION FEES FOR PAR CONVENTION	XIX	2	22
REGULAR MEETING, BOARD OF DIRECTORS	VIII	4	10
REMAINING VACANCIES, NAR DIRECTORS	X	2	12
REMOVAL, BOARD OF DIRECTORS	VIII	7	11
REPRESENTATION - WITH IN COMMITTEE	XI	8	15
RESPONSIBILITY, BOARD OF DIRECTORS	VIII	3	10
RESPONSIBILITY, EXECUTIVE COMMITTEE	IX	4	12
RPAC	XX		22
RPAC, APPOINTMENT	XX	4	22
RPAC, APPOINTMENT	XX	4	22
RPAC, ATTENDANCE	XX	7	23
RPAC, EXECUTIVE COMMITTEE	XX	5	23
RPAC, FUND RAISING COMMITTEE	XX	6	23
RPAC, FUNDS	XX	10	24
RPAC, NAME	XX	1	22
RPAC, PURPOSES	XX	8	23
RPAC, RULES	XX	9	24
RPAC, TERM	XX	3	22
RPAC, TRUSTEES	XX	2	22
RULES AND REGULATIONS, LEGAL ACTION FUND	XXI	5	25

	ART.	SEC.	PAGE
RULES FOR MEETINGS	XVIII		21
RULES, ISSUES MOBILIZATIONS	XXII	7	27
RULES, RPAC	XX	9	24
SCREENING AND ELECTIONS	XVI		19
SCREENING COMMITTEE	XVI	1	19
SCREENING OF APPLICANTS - FOR OFFICE	XVI	2	20
SEAL	I	2	2
SPECIAL MEETING, BOARD OF DIRECTORS	VIII	5	10
STANDARD FORMS COMMITTEE	XI	1 (G)	13
STANDARD OF CONDUCT, INDEMNIFICATION	XIII	2	16
SUBMISSION OF AMENDMENTS - BYLAWS	XXVI	2	28
TERM, RPAC	XX	3	22
TERMS, ADMINISTRATION - OFFICERS	XIV	3	18
TERMS, BOARD OF DIRECTORS	VIII	6	10
TERMS, ISSUES MOBILIZATION	XXII	3	26
TERMS, NAR DIRECTORS	X	3	13
THE FUND, LEGAL ACTION FUND	XXI	3	24
THE TRUSTEES, LEGAL ACTION FUND	XXI	1	24
TREASURER, OFFICERS' DUTIES	XV	6	19
TRUSTEES, RPAC	XX	2	22
USE BY PRINCIPALS, USE OF TERM	V	3	7
USE OF THE TERM REALTOR®, REALTORS®, AND REALTOR-ASSOCIATE® BY MEMBERS AND OTHERS	V		6
VACANCIES	XVII		21
VACANCIES, NAR DIRECTORS	X	4	13