

LANCASTER COUNTY ASSOCIATION OF REALTORS®

ASSOCIATION BYLAWS

ARTICLE I

SECTION 1: NAME

The name of this organization shall be the Lancaster County Association of Realtors®, hereafter referred to as the "Association."

SECTION 2: REALTOR

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

SECTION 1: OBJECTIVES

- 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.
- 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®.
- 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.
- To further the interest of home and other real property ownership.
- 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.
- 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®.

ARTICLE III

SECTION 1: JURISDICTION

The territorial jurisdiction of the Association as a member of the National Association of Realtors® shall include Lancaster City and County. 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 these terms."

ARTICLE IV

SECTION 1: MEMBERSHIP CLASSIFICATIONS

A. REALTOR®

1. Individuals who as sole proprietors, partners, corporate officers or branch managers are actively engaged 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 are actively engaged in the real estate profession within the Commonwealth or a state contiguous thereto shall qualify for Realtor® membership only, and each is required to hold Realtor® membership 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 Association 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.
2. Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers or branch managers and are associated with a Realtor® member and meet the qualifications set out in Article V.
3. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least 150 franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions in 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, indoctrination or other similar requirements; the right to use the term Realtor® in connection with their franchise organization's name; and the right to hold elected office in the local, State and National associations.
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 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.
6. The Board of Directors may classify Realtor® members according to their respective professional specialties.

B. INSTITUTE AFFILIATE

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

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. PUBLIC SERVICE

Public Service members shall be individuals who are interested in the real estate profession as employees of, or affiliated with educational, public utility, governmental or similar organizations, but are not engaged in the real estate profession on their own account, or in association with an established real estate business.

E. HONORARY

Honorary members shall be individuals not engaged in the real estate profession, who have performed notable service for the real estate profession, for this Association or for the public.

F. STUDENT

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 are not associated with an established real estate office.

G. STATE ASSOCIATION

The President of the Pennsylvania Association of Realtors[®] shall be an ex-officio member of the Lancaster County Association of Realtors[®], without payment of dues, during his term of office.

ARTICLE V

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 applicant agrees as a condition of membership to thoroughly familiarize himself with the Code of Ethics of the National Association of Realtors[®], the Constitution, Bylaws and Rules & Regulations of the Local, State and National Associations, and if elected a member, will abide by the Constitution and Bylaws and the Rules & Regulations of the Local, 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 this Association as from time to time amended, and (2) that applicant consents that the Association, through its staff or otherwise, may invite and receive information and comment about applicant from any member or other person, 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 & Regulations, and Code of Ethics referred to above.

SECTION 2: QUALIFICATIONS

- A. An applicant for Realtor[®] membership, who is a sole proprietor, partner, corporate officer or branch manager of a real estate firm, shall supply evidence, satisfactory to the Association, that (1) he is actively engaged in the real estate profession, 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, (2) has a place of business within the Commonwealth or a state contiguous thereto (unless a secondary member), (3) has no record of recent or pending bankruptcy, (4) has no record of official sanctions involving unprofessional conduct, (5) agrees to complete a course of instruction covering the Bylaws and Rules & Regulations of the Association, the Bylaws of the State Association, and the Constitution, Bylaws and Code of Ethics of the National Association of Realtors[®] and shall pass such reasonable and nondiscriminatory written examination thereon as may be required; and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules & Regulations and Code of Ethics.

Note 1: Article IV, Section 2, of the NAR Bylaws prohibits Member Associations 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.

- B. Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers or branch 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 (1) 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, (2) shall complete a course of instruction covering the Bylaws and Rules & Regulations of the Association, the Bylaws of the State Association, and the Constitution, Bylaws and Code of Ethics of the National Association of Realtors and shall pass such reasonable and nondiscriminatory written examination thereon as may be required, and (3) shall agree in writing that, if elected to membership, he will abide by the Code of Ethics of the National Association of Realtors[®] and by the Constitution, Bylaws, and Rules & Regulations of the Local, State and National Associations.

SECTION 3: ELECTION PROCEDURES

- A. The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR[®] membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS[®] and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the board of directors.

- B. If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership within six months from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. 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. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.
- C. The board of directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the board of directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/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.
- D. If the board of directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

SECTION 4: NEW MEMBER CODE OF ETHICS ORIENTATION

- A. Applicants for Realtor[®] membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instruction time. This requirement does not apply to applicants for Realtor[®] membership 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.
- B. Failure to satisfy this requirement within 180 days of the date of application will result in denial of the membership application.

SECTION 5: CONTINUING MEMBER CODE OF ETHICS TRAINING

- A. Effective January 1, 2017, through December 31, 2018, and for successive two-year periods thereafter, each Realtor[®] member of the 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 two-year cycle shall not be required to complete additional ethics training until a new two-year cycle commences.
- B. Failure to satisfy this requirement shall be considered a violation of a membership duty for which Realtor[®] membership shall be suspended until such time as the training is completed.
- C. Failure to meet the requirement of any cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) 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.

SECTION 6: CONTINUING MEMBER BIENNIAL PROFESSIONAL TRAINING

Effective July 1, 2015 through June 30, 2017, and for each successive two-year period thereafter, Realtor® members and tentative Realtor® members will be required to complete biennial training of not less than three hours and thirty minutes of instructional time. This instruction will be related to matters that, if education were not provided, might result in significant legal vulnerability and possible liability to the Association or its members, such as violations of anti-trust laws, agency laws, civil rights laws, the Code of Ethics of the National Association of Realtors® and its interpretation and meaning, or other similar public policies.

The specific topics will be chosen by the Board of Directors. This requirement applies to all primary members of the Lancaster County Association of Realtors® and secondary members who have not completed a similar program through their primary Association. Failure to meet this requirement within the required time period will result in suspension of the individual's membership and an immediate sixty-day grace period in which to complete the required program. If the program is not completed within the grace period, an individual's membership will be terminated. To be reinstated, an individual will be required to complete the first available program at a cost of \$100, to file a new application and to pay the then current reactivation fee.

SECTION 7: STATUS CHANGES

- A. A Realtor® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within 30 days. A non-principal Realtor®, who becomes a principal in the firm with which he 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 principal Realtor® members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a principal Realtor®. If the non-principal Realtor® does not satisfy the requirements established in these Bylaws for the category of membership to which he has transferred, within 90 days of the date he advised the Association of his change in status, his new membership application will terminate automatically unless otherwise directed by the Board of Directors.

A Realtor® principal who is transferring his license from one firm comprised of Realtor® principals to another firm of Realtor® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If such transfer is not completed within ninety (90) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise directed by the Board of Directors.

- 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. Local, State and National dues shall be prorated from the first day of the month in which the Board of Directors notifies the member of election. Dues shall be based on the new membership status for the remainder of the year.

ARTICLE VI

SECTION 1: PRIVILEGES & OBLIGATIONS

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

- A. Any member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors, through its Professional Standards Committee, for a violation of these Bylaws or Association Rules & Regulations not inconsistent with these Bylaws or violation of any agreement between the Association and the member; after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although members, other than Realtor[®] members, are not subject to the Code of Ethics or its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of the National Association and to conduct their business and professional practices accordingly. Further, members, other than Realtor[®] members, may, 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, State or National Associations.
- B. Any Realtor[®] member of the Association may be disciplined by the Board of Directors, through its Professional Standards Committee, 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.
- C. Resignations of members shall become effective when received in writing by the Board of Directors, provided, that if any member submitting his 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.
- D. If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a Realtor[®], the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS[®].
- E. 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 2: REALTOR[®]

- A. Realtor[®] members, whether primary or secondary, in good standing, whose financial obligations to the Association are paid in full, shall be entitled to use the terms Realtor[®] and Realtors[®], which use shall be subject to the provisions of Article VIII, to hold elective office in the Association and to vote. Realtor[®] members shall have the primary responsibility to safeguard and promote the standards, interest, and welfare of the Association and the real estate profession.

- B. If a Realtor[®] member is a sole proprietor in a firm, a partner in a partnership or an officer of a 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 or management control is relinquished, 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 his readmission or unless his connection with the firm, partnership or corporation is severed or unless the Realtor[®] who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply.
- C. Removal of an individual from any form or degree of management control must be certified to the Association by the member who is being suspended or expelled and by the individual who is assuming management control and the signatures of such certification must be notarized. In the event the suspended or expelled member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms Realtor[®] and Realtors[®] in connection with its business during the period of suspension, or until the former member is readmitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of Realtors[®], other than principals, who are employed by or affiliated as independent contractors with the disciplined member 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 or management control is relinquished, or unless the non-principal Realtor[®] member elects to sever his connection with the Realtor[®] and affiliate with another Realtor[®] member in good standing in the Association, whichever may apply. If a Realtor[®] member other than a sole proprietor in a firm, partner in a partnership or an officer of a corporation, is suspended or expelled, the use of the terms Realtor[®] or Realtors[®] by the firm, partnership or corporation shall not be affected.
- D. In any action taken against a Realtor[®] member for suspension or expulsion under Section 2 B, hereof, notice of such action shall be given to all Realtors[®] employed by or affiliated as independent contractors with such Realtor[®] member and they shall be advised that the provisions in Article VI, Section 2 B. shall apply.

SECTION 3: INSTITUTE AFFILIATE

Institute affiliate members shall have such rights and privileges, and be subject to such obligations as may be prescribed by the Board of Directors consistent with the Constitution and Bylaws of the National Association of Realtors[®], except that no Institute Affiliate Member may be granted the right to use the term Realtor[®] or the Realtor[®] logo; to serve as President of the Association; or to be a Participant in the Multiple Listing Service.

SECTION 4: AFFILIATE

Affiliate members shall have such rights and privileges, and be subject to such obligations as may be prescribed by the Board of Directors.

SECTION 5: PUBLIC SERVICE

Public service members shall have such rights and privileges, and be subject to such obligations as may be prescribed by the Board of Directors.

SECTION 6: HONORARY

Honorary membership shall confer no rights, except the right to attend meetings and participate in discussion, and shall impose no obligations.

SECTION 7: STUDENT

Student members shall have such rights and privileges, and be subject to such obligations as may be prescribed by the Board of Directors.

SECTION 8: STATE ASSOCIATION

The President of the Pennsylvania Association of Realtors[®] shall have such rights and privileges, and be subject such obligations as may be prescribed by the Board of Directors.

SECTION 9: CERTIFICATION

Designated Realtor[®] members of the Association shall certify to the Association during the month of December, 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 said 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 2A) of the Bylaws. Designated Realtor[®] members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of the individual.

SECTION 10: HARASSMENT

Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of any Association or MLS employee, any Association Officer or Director, or any member of an Association Committee or Task Force engaged in the usual or customary business of the Association or its MLS, after an investigation in accordance with 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 an investigatory team comprised of the President, President-elect 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 or President-Elect, they 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.

ARTICLE VII

SECTION 1: PROFESSIONAL STANDARDS/ARBITRATION

The responsibility of the Association, and of Association members, relating to enforcement of the Code of Ethics, disciplining of members, arbitration of disputes and organization and procedures incident thereto, shall be

governed by the Code of Ethics and Arbitration Manual of the Association as from time to time amended which, by this reference, is made a part of these Bylaws.

SECTION 2: DUTIES & RESPONSIBILITIES

It shall be the duty and responsibility of every Realtor[®] member of this Association to abide by the Bylaws and Rules & Regulations of the Association, the Constitution and Bylaws of the State and National Associations of Realtors[®] and 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: COOPERATIVE ENFORCEMENT

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 the Bylaws.

ARTICLE VIII

SECTION 1: USE OF TERMS

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 & 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 these 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 for in the Association's Code of Ethics and Arbitration Manual.

SECTION 2: PRIVILEGES

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 Commonwealth, or a state contiguous thereto, so long as they remain members in good standing. No other class of members shall have this privilege.

SECTION 3: PRINCIPALS

A Realtor[®] member who is a principal of a real estate firm, partnership or corporation may use the terms Realtor[®] and Realtors[®] only if all of the principals of such firm, partnership or corporation, who are actively engaged in the real estate business within the Commonwealth or a state contiguous thereto, are Realtor[®] members of the Association or Institute Affiliate members as described in Section 1B. of Article IV.

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 AFFILIATES

Institute Affiliate members shall not use the terms Realtor[®] or Realtors[®] nor the imprint of the emblem seal of the National Association of Realtors[®].

ARTICLE IX

SECTION 1: STATE/NATIONAL MEMBERSHIP

The Association shall be a member of the National and Pennsylvania Associations of Realtors[®]. By reason of such membership, each Realtor[®] member of the 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 of its Realtor[®] members, decision is made to withdraw. In such 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: PROPERTY RIGHTS

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: CODE OF ETHICS

The Association has adopted 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, agrees to abide by the Constitution, Bylaws, Rules & Regulations and Policies of the National and Pennsylvania Associations of Realtors[®].

ARTICLE X

SECTION 1: ORIGINATION/REINSTATEMENT FEES

The Board of Directors may adopt origination and reinstatement fees for Realtor[®] membership in reasonable amount, not exceeding three times the amount of the annual dues applicable for such membership, which shall be required to accompany each application for membership or reinstatement and which shall become the property of the Association upon final approval of the application.

SECTION 2: DUES

The annual dues of members shall be as follows:

A. REALTOR[®]

The dues of each 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 employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with the Realtor[®] member and who are not Realtor[®] members of any Association in the Commonwealth or a state contiguous thereto or Institute Affiliate members of the Association; provided however, that if two or more Realtors[®] are principals of the same firm,

partnership or corporation, then only that Realtor[®] designated from time to time in writing as Designated Realtor[®] of the firm, partnership or corporation, shall be required to pay that portion of the dues which is computed on the basis of the real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed with such firm, partnership or corporation; and the dues of the remaining Realtors[®] who are principals of such firm, partnership or corporation shall be only such base amount as determined by the Board of Directors. In calculating the dues payable to the Association by a Designated Realtor[®] member, non-member licensees as defined in Section 2A of this Article shall not be included in the computation of dues if the Designated Realtor[®] has paid dues based on such non-member licensees to another Association in the Commonwealth 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 Section 2A of this Article) in the office where the Designated Realtor[®] holds membership, and any other offices of the firm located within the jurisdiction of this Association.

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 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 Section 2A (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager 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 Realtors[®] filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated Realtor[®].

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.

B. INSTITUTE AFFILIATE MEMBERS

The dues of each Institute Affiliate member shall be in such amount as established in Article II of the Bylaws of the National Association of Realtors[®].

The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$105). The National Association shall credit \$35 to the account of a local Association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that Association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$35 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other Association. The National Association shall also credit \$35 to the account of state Associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state Association. Local and state Associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

C. AFFILIATE MEMBERS

The dues of each Affiliate member shall be in such amount as established annually by the Board of Directors.

D. PUBLIC SERVICE MEMBERS

The dues of each Public Service member shall be in such amount as established annually by the Board of Directors.

E. HONORARY MEMBERS

The dues, if any, of each Honorary member shall be in such amount as established annually by the Board of Directors.

F. STUDENT MEMBERS

The dues, if any, of each Student member shall be in such amount as established annually by the Board of Directors.

G. EMERITI/NAR PAST TREASURERS

The dues of Realtor® members who are Realtor® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the board of directors.

NOTE: *A Member Association's dues obligation to the National Association is reduced by an amount equal to the amount which the association is assessed for a Realtor® member, times the number of Realtor® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association, and recipients of the Distinguished Service Award of the National Association who are Realtor® members of the association. The dues obligation of such individuals to the local Association should be reduced to reflect the reduction in the association's dues obligation to the National Association. The Association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Association's obligation to the State Association with respect to such individuals. Member Associations should determine whether the dues payable by the Association to the State Association are reduced with respect to such individuals. It should be noted that this does not affect a "designated" Realtors® dues obligation to the Association with respect to those licensees employed by or affiliated with the "designated" Realtor® who are not members of the local Association.*

SECTION 3: DUES PAYABLE

Dues for all members shall be payable annually in advance, on the first day of January. Dues shall be computed from the first day of the month in which a member is notified of election and shall be pro-rated through the

remainder of the year. In the event a licensee or certified appraiser, who holds Realtor[®] membership, is dropped for non-payment of Association dues, and the licensee remains with the Designated Realtor's[®] firm, the dues obligation of the Designated Realtor[®] set forth in Article X, Section 2A, 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 payable within 30 days of the notice of termination.

SECTION 4: NON-PAYMENT OF FINANCIAL OBLIGATIONS

If dues, fees, fines or other assessments, including penalties, are not paid by the end of the month in which they are billed, provided fifteen (15) days delinquent notice has been given; or if amounts owed to the Association's MLS are not paid by the end of the month in which they are billed, provided fifteen (15) days delinquent notice has been given, membership of the non-paying member or participant may be terminated unless, within that time, the amount due is paid. No action shall be taken to suspend or expel a member for non-payment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had his 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 & Regulations of the Association or any of its services, departments or divisions, may apply for reinstatement in the manner prescribed for new applicants for membership after making payment in full of all accounts due as of the date of termination.

SECTION 5: DEPOSITS

All money received by the Association, for any purpose, shall be deposited to the credit of the Association in a financial institution(s); or in financial investments selected by resolution of the Board of Directors.

SECTION 6: EXPENDITURES

The Board of Directors shall administer the finances of the Association.

SECTION 7: NOTICE OF FINANCIAL OBLIGATIONS

All dues, fees, fines, assessments or other financial obligations to the Association or the Association's Multiple Listing Service shall be noticed to the delinquent member in writing, setting forth the amount owed and due date.

ARTICLE XI

SECTION 1: OFFICERS

The elected officers of the Association shall be President, President-Elect, Secretary and Treasurer. Individuals shall be elected for terms of one year.

SECTION 2: 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. It shall be the particular duty of the Executive Vice President to keep the records of the Association and to carry on all necessary correspondence with the Pennsylvania Association of Realtors[®] and the National Association of Realtors[®].

SECTION 3: EXECUTIVE VICE PRESIDENT

The Board of Directors shall elect an Executive Vice President who shall serve at the discretion of the Board of Directors. The Directors may delegate to him any or all of the duties of the Corporate Secretary and any other functions that the Board of Directors may from time to time designate or prescribe. The Executive Vice President

and the Association staff shall have the appropriate authority to fulfill their responsibility of implementing the Directors' vision and policies, managing the committee process and administering the Association's day-to-day operations.

SECTION 4: BONDS

The President, Executive Vice President and Treasurer shall furnish surety bonds in the amounts fixed by the Board of Directors and the cost of such bonds shall be paid by the Association. The Board of Directors may likewise, at its discretion, require bonds to be furnished by any other officer or employee at the expense of the Association.

SECTION 5: BOARD OF DIRECTORS

The governing body of the Association shall be a Board of Directors, at least eight of whom shall be Designated Realtors® or Designated Managers and at least seven of whom shall be Independent Contractors whether they hold Sales or Associate Broker licenses. At least one of the Directors shall be a Commercial & Industrial practitioner; and at least one shall be a State certified appraiser without regard to whether they are Designated Realtors®, Designated Managers or Independent Contractors. The Board of Directors consists of the Elected Officers, the Immediate Past President, and ten Realtor® Directors for a total of fifteen (15) offices. In the event a nominee from the floor shall succeed in his nomination as an Elected Officer, the total number of offices shall be increased in order to allow each office holder to fulfill his elected term. The Directors' primary function shall be to implement the Association's mission statement, establish goals, approve strategies and measure progress on behalf of the members. All of the elected Officers, and at least three of the Directors, shall be Brokers. The Directors shall be elected to serve terms of two years with a three consecutive term limit. This consecutive year limit shall not apply to the offices of President-Elect, President or Immediate Past President. The Secretary and Treasurer shall serve for terms of one year with the right of succession; but such office shall be included in their elected term. The initial election, held under this provision, shall be such that one-third of the Directors are elected for three-year terms, one-third for two-year terms and one-third for one-year terms. This initial election shall include, for the purpose of determining these ratios, the offices of Secretary and Treasurer. The President-Elect shall automatically succeed to the office of President. No more than three members of the Board of Directors may serve through the same firm. This provision will be waived however, in the event that more than three members from the same firm results from a company merger, acquisition or personnel transfer during the members' terms of office. In this event, each individual serving through the same firm will be permitted to complete his term of office.

SECTION 6: NOMINATIONS

In July of each year, the Nominating Committee shall meet. This committee shall consist of the last five living past presidents, the President and President-Elect plus two members-at-large appointed by the Chairman. The immediate past president shall be chairman of this committee. Members' interest in being considered for nomination, or recommendations of possible nominees, shall be solicited, prior to the Nominations Committee meeting, on a form approved by the Directors. The Nominations Committee need not be bound by these recommendations. All nominees must have a combination of three years of industry experience and two years of committee or task force service to serve as Directors and one year of Director experience to serve as an Elected Officer. The Nominating Committee shall select one candidate for each elected Officer position and one candidate for each Director vacancy in accordance with Section 5 above. The Nominations Committee shall give consideration to the distribution of Designated Realtors®, Designated Managers and Independent Contractors by license type, office size and office location but need not be bound by any specific requirements in this regard. The report of the Nominating Committee shall be presented at a scheduled membership meeting during the third quarter of each calendar year but in no event less than 30 days prior to the election. Additional candidates for the offices to be filled may be placed in nomination, from the floor, at that time, provided such nominees meet the criteria specified in Sections 5 and 6. A quorum shall not be required for the purpose of accepting additional nominations from the floor. The Executive Vice President shall send notice of such additional nominations to all members prior to the election.

SECTION 7: ELECTION

The election of Officers and Directors shall take place at a scheduled membership meeting, during the fourth quarter of each calendar year. In the event of a contested office, the election shall be held by ballot through electronic voting. The ballot, if required, shall contain the names of all candidates for contested office(s) and the office(s) for which they are nominated, and shall be communicated to the members not less than one week prior to the opening of the electronic voting period. The President shall, in the event of a contest, appoint an election committee of three members to serve as tellers. In case of a tie vote, the issue shall be determined by lot. A quorum, through votes cast electronically, shall be required only in the event of a contested election.

SECTION 8: VACANCIES

Vacancies among the officers and the Board of Directors shall be filled by a majority vote of the Board of Directors until the next annual election.

SECTION 9: REMOVAL

In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

- A. A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership, or majority of all Directors, shall be filed with the President or, if the President is the subject of the petition, with the next-ranking officer and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- B. 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 voting membership of the Association shall be held with the sole business of the meeting to consider the charge against the Officer or Director and to render a decision on such petition.
- C. 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.

ARTICLE XII

SECTION 1: PERSONAL LIABILITY OF DIRECTORS

A director, or representative 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 or hereafter in effect. The provisions of this 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 such modification or repeal shall not have any effect upon the liability of a director relating to action taken, failure to take action, or events which occurred prior to the effective date of such modification or repeal.

ARTICLE XIII

SECTION 1: INDEMNIFICATION

Subject to the provisions of Section 2 below, the Association shall, to the fullest extent permitted under the law of the Commonwealth of Pennsylvania as now or hereafter in effect, indemnify any person, his heirs, executors and administrators, who was or is a party, witness or other participant, to any threatened, pending or completed action, suit or proceedings, 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 is or was a director or officer of the Association; or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise; and may, to the fullest extent permitted under the laws of the Commonwealth of Pennsylvania as now or hereafter in effect, indemnify any person, 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 investigative including, without limitation, actions by or in the right 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 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 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 indemnification 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 above, upon receipt of an understanding 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 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.

ARTICLE XIV

SECTION 1: ANNUAL MEETING

The annual meeting of the Association shall be held during the month of January each year. The time, date and place of this meeting shall be designated by the Board of Directors.

SECTION 2: DIRECTORS MEETING

The Board of Directors shall designate a regular time and place of meetings. Absence from four regular meetings shall be construed as resignation from the Board of Directors. A quorum for the transaction of business by the Board of Directors shall be a majority of the Board of Directors, except as may otherwise be required by state law.

SECTION 3: OTHER MEETINGS

Meetings of the members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least ten percent of the Realtor[®] members.

SECTION 4: NOTICE OF MEETINGS

Notice shall be given to every member entitled to participate in the meeting at least one week preceding all meetings. If a special meeting, it shall be accompanied by a statement of the purpose of the meeting.

- A. In addition to the manner of giving notice of meetings or of corporate action or voting provided by the Non-Profit Corporation Law of the Commonwealth of Pennsylvania, notice thereof may be given to the Board of Directors or the Members electronically.
- B. Electronic voting shall be permitted unless the Board of Directors by resolution rescinds or conditions such voting with regard to specific issues or actions. Every Member or Director entitled to vote at a meeting, or electronically without a meeting, may not authorize another person to act for the Member or Director by proxy.
- C. Any Board of Director's vote to express consent or dissent to corporate action conducted electronically without a physical presence meeting, must be unanimously approved by all of the Directors entitled to vote, otherwise such corporate action shall be null and void, but the corporate action may be voted upon at a subsequent convened physical presence meeting.

SECTION 5: QUORUM

A quorum for the transaction of business at general and/or special meetings of the membership shall consist of ten percent of the members eligible to vote except as may otherwise be required by state law.

ARTICLE XV

SECTION 1: COMMITTEES

The President shall appoint from among the Realtor[®] and affiliate members, subject to confirmation by the Board of Directors, a Professional Standards Committee and those committees deemed necessary for the operation of the Association. Appointments to the Professional Standards Committee and Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Association.

SECTION 2: ORGANIZATION

All committees shall be of such size and shall have duties, functions and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these Bylaws.

SECTION 3: FINANCE COMMITTEE

The President, subject to the approval of the Board of Directors, shall appoint a Finance Committee composed of ten members. Additionally, the President-Elect and Treasurer shall serve as Ex-Officio members. The appointed members shall serve for three-year terms or until their successors are appointed and confirmed, provided that of the initial appointments, two shall be for three-year terms, four shall be for two-year terms and four shall be for terms of one year. No member shall serve for more than six consecutive years. The chairman shall be appointed by the President for a term of one year.

SECTION 4: STATE DIRECTORS

The President, subject to the approval of the Board of Directors, shall appoint State Directors in accordance with the formulas of the Pennsylvania Association of Realtors[®]. The appointed members shall serve for two-year terms or until their successors are appointed and confirmed, provided that of the initial appointment, half shall be for two-year terms and half shall be for one-year terms.

SECTION 5: PRESIDENT

The president shall be an ex-officio member of all committees.

ARTICLE XVI

SECTION 1: AUTHORITY

The Lancaster County Association of Realtors[®] shall maintain for the use of its members, a Multiple Listing Service, which shall be subject to the Bylaws of the Association and to such Rules & Regulations as, may be hereinafter adopted.

SECTION 2: PURPOSE

A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants acting either as subagents, buyer agents or in other agency or non-agency capacities defined by law; by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by a cooperating Broker's performance as procuring cause of a sale or lease.

SECTION 3: PARTICIPATION

Any Realtor[®] member of this or any other Realtor[®] Association, who is a principal, partner, corporate officer or branch manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in the Multiple Listing Service upon agreeing in writing to conform to the Rules & Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants, or are licensed or certified by an appropriate state regulatory agency to engage in the

appraisal of real property. Use of information developed by or published by the Association's Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed or published by the Association's Multiple Listing Service where access to such information is prohibited by law.

Note 1: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

Note 2: The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

SECTION 4: SUBSCRIBERS

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants. Subscribers may also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant's licensed designee.

SECTION 5: SUPERVISION

The Multiple Listing Service shall be operated in accordance with the Multiple Listing Service's Rules & Regulations, which shall be subject to the approval of the Board of Directors.

SECTION 6: ACCESS TO COMPARABLE AND STATISTICAL INFORMATION

Association members who are actively engaged in real estate brokerage, property management, mortgage financing, appraising, land development or building construction, but who do not participate in the MLS, may receive by purchase or lease, information other than current listing information that is generated, wholly or in part, by the MLS; including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive use of Association members and individuals affiliated with Association members who are also engaged in the real estate business, and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules & Regulations. Association members who receive such information, either as an Association service or through the

Association's MLS, are subject to the applicable provisions of the MLS Rules & Regulations whether or not they participate in the MLS.

ARTICLE XVII

SECTION 1: FISCAL/ELECTIVE YEAR

The fiscal and elective year of the Association shall be the calendar year.

ARTICLE XVIII

SECTION 1: RULES OF ORDER

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.

ARTICLE XIX

SECTION 1: AMENDMENTS

These Bylaws may be amended by the majority vote of the members qualified to vote, and voting electronically, provided the substance of such proposed amendment(s) shall be communicated to the members not less than one week prior to the opening of the electronic voting period, and further provided that a quorum through votes cast electronically, shall be required.

The Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws, which are mandated by NAR policy.

SECTION 2: NOTICE

Notice by mail of all meetings at which such amendments are to be considered shall be given to every Realtor[®] member, eligible to vote, at least one week prior to the date of the meeting.

SECTION 3: EFFECTIVE DATE

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 XX

SECTION 1: DISSOLUTION

Upon the dissolution or winding up of the 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 XXI

SECTION 1: GENDER AND NUMBER

Words of any gender herein shall include any other gender, and the singular shall include the plural and vice versa, whenever the same is necessary to produce fair and meaningful construction.

Approved: January 2018