

**HUDSON GATEWAY ASSOCIATION OF REALTORS®, INC.
BYLAWS**

Effective as of January 1, 2018

ARTICLE I - NAME

Section 1. NAME. The name of this organization shall be the “Hudson Gateway Association of REALTORS®, Inc.”

Section 2. REALTORS®. Inclusion and retention of the Registered Collective Membership Mark “REALTORS®” in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® (sometimes referred to herein as “National Association”) as from time to time amended.

Section 3. ASSOCIATION. All references in these Bylaws to the word “Association” are intended to refer to Hudson Gateway Association of REALTORS®, Inc. and if the context requires such construction, its predecessors in interest, Westchester County Board of REALTORS®, Inc. and Putnam County Association of REALTORS, Inc., which entities merged effective as of November 1, 2009; the Westchester Putnam Association of REALTORS, Inc., Orange County Association of REALTORS, Inc. and Rockland County Board of REALTORS, Inc., which merged effective as of January 1, 2012; and the Hudson Gateway Association of REALTORS, Inc. and the Manhattan Association of REALTORS, Inc. which merged effective as of December 15, 2016.

Section 4. STATUS. The Association is incorporated under the Not For Profit Corporation Law of the State of New York (hereinafter referred to as the “NFPCL”) and functions as a trade association under Section 501(c)(6) of the Internal Revenue Code.

ARTICLE II - OBJECTIVES

The objectives of the Association are:

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

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

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

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

Section 5. To unite those engaged in the real estate profession in this community with the NEW YORK STATE ASSOCIATION OF REALTORS® (sometimes referred to herein as “State

Association”) and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the State and nation, and obtaining the benefits and privileges of membership therein.

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

Section 7. To edit, publish, distribute and disseminate information, news, advices and records of interest regarding real estate transactions within the territory in which this Association operates.

Section 8. To provide for education, research and exchange of information for those engaged in the recognized branches of the real estate business including brokerage, management, mortgage financing, appraising, counseling, land development and building, and education and research in real estate, for the purposes of raising the standards of real estate practice and preserving the right of property ownership in the interest of public welfare.

ARTICLE III - JURISDICTION

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® is the entire Counties of Orange, Putnam, Rockland, Westchester and New York County (south of 145th Street) in the State of New York (the “State”).

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

IV - MEMBERSHIP

Section 1. Four Classes of Membership. There shall be four classes of Members as follows:

- (a) REALTOR Members. REALTOR Members whether primary or secondary shall be:
 - (1) Individuals who, as sole proprietors, partners, corporate officers or branch office managers, are engaged actively in the real estate profession, as licensed real estate agents or as licensed or certified appraisers, 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 located within the State of New York 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 State or a state contiguous thereto shall qualify for REALTOR Membership only, and each is required to hold REALTOR Membership, except as provided in the following paragraph, in an Association of REALTORS® within the State 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 Hudson Gateway Association of Realtors, Inc. 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) Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions 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 classes or other similar requirements; the right to use the term REALTOR in connection with their franchise organization's name; the right to hold elective office in the local Association, State Association and National Association.
- (3) Individuals who are engaged in the real estate profession as licensed brokers, broker associates or salespersons or as licensed or certified appraisers other than as sole proprietors, partners or corporate officers or as individuals in positions of management control and are associated with a REALTOR Member and meet the qualifications set out in Article V.
- (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 mediate and arbitrate pursuant to

Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR Membership established in Article V, Section 2 of the Bylaws.

- (b) Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR membership, subject to payment of applicable dues for such membership.
- (c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this section, have interests requiring information concerning real estate and are in sympathy with the objectives of the Association.
- (d) Members Emeritus. Members Emeriti shall be individuals who are formerly REALTORS® or REALTOR® ASSOCIATES who have been recognized as REALTOR Emeriti by the National Association of REALTORS®.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application.

- (a) An application for membership shall be made in such a 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 to membership to thoroughly familiarize applicant with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitution, Bylaws and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitution, Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association may invite and receive information and comment about applicant from any Member or other person(s), and that applicant agrees that such information and comment furnished to the Association by any person in response to the invitation shall be conclusively

deemed to be privileged and not form the basis of any action for slander, libel or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations and Code of Ethics referred to above.

- (b) The application shall be presented in writing, upon a form obtained from the Association, and shall be delivered to the Association with the amount of the initiation fee and the annual dues calculated in accordance with the dues formula referred to in these Bylaws and adopted by the Board of Directors of the Association.
- (c) The CEO (or the CEO's duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership.
- (d) The Board of Directors shall review the qualifications of the applicant and the recommendations of the CEO (or the CEO's duly authorized designee) and then vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, such person shall be declared elected to membership and shall be advised by written notice.
- (e) 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 the applicant's behalf, to be represented by counsel and to make such statements as the applicant 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.
- (f) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the CEO (or the CEO's duly authorized designee). If the Board of Directors believes that the denial of membership to the applicant may become the basis of litigation and a claim of damages by the applicant, it may specify that the 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 2. Qualification.

- (a) An applicant for REALTOR Membership who holds a New York State Real Estate License or is licensed or certified by an appropriate State regulatory agency to engage in the appraisal of real property, and is a principal, partner or corporate officer or branch office manager of a real estate firm, shall supply evidence satisfactory to the Association that applicant is actively engaged in the real estate profession, has a place of business within the State or a state contiguous thereto that is recognized by the real estate licensing authorities of the State of New York or said contiguous state,

agrees to complete a course of instruction covering the Bylaws and Rules and 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 by the Association and shall agree that if elected to membership, applicant will abide by such Constitution, Bylaws, Rules and Regulations and Code of Ethics. Pursuant to Article IV Section 2 of the Bylaws of the National Association of REALTORS®, the Association shall not knowingly grant 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 principals, partners, corporate officers or branch office managers, in order to qualify for REALTOR Membership, shall at the time of application hold a New York State Real Estate License or be licensed or certified by an appropriate State regulatory agency to engage in the appraisal of real property, be associated either as an employee or as an independent contractor with a REALTOR Member of the Association, or a Designated REALTOR Member of another association or board, shall complete a course of instruction covering the Bylaws and Rules and 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 examinations thereon as may be required by the Committee, and shall agree in writing that if elected to membership, the applicant will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Association, State Association and the National Association.

Section 3. Status Changes. A REALTOR who changes the conditions under which such person holds membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR (non-principal) who becomes a principal in the firm with which such person has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR (principal) members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR (principal). If the REALTOR (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which such person has transferred within thirty (30) days of the date such person advised the Association of such person's change in status, the new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

Section 4. New Member Code of Ethics Orientation. Applicants for REALTOR membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty

minutes of instructional time. This requirement does not apply to applicants for REALTOR membership who have completed comparable orientation in another association, provided that REALTOR membership has been continuous or that any break in membership is for one year or less.

Failure to satisfy this requirement within thirty (30) days after approval of the membership application by the Board of Directors will result in denial of the membership application.

Section 5. Continuing Member Code of Ethics Training. 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 National Association Code of 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. Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR membership may be suspended or terminated as hereinafter set forth.

Failure to meet the requirement in any two (2) year 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.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

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

Section 2. Member Discipline. Any Member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation by a hearing panel of the Professional Standards Committee, be subject to

discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association and the NATIONAL ASSOCIATION OF REALTORS®.

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

Section 4. Resignations. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines or other assessments of the Association or any of its services, departments, divisions or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed. A resignation by a Member shall not constitute a release of such Member's obligation to pay unpaid dues, fees, fines or other assessments accrued prior to the effective date of such resignation.

Section 5. Complaints Pending at Time of Resignation. If a Member resigns from the Association with an ethics complaint request 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 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®.

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

Section 6. REALTOR Members.

- (a) REALTOR Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR and

REALTORS®, which use shall be subject to the provisions of Article VIII; and, shall have the primary responsibility to safeguard and promote the standards, interests and welfare of the Association and the real estate profession.

- (b) If a REALTOR® Member is a principal in a firm, partnership or corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR Membership, or unless connection with the firm, partnership or corporation is severed, whichever may apply. The membership of all other principals, partners or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than 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 until connection of the disciplined Member with the firm, partnership or corporation is severed, whichever may apply. If a REALTOR Member who is other than a principal in a firm, partnership or corporation is suspended or expelled, the use of the terms REALTOR or REALTORS® by the firm, partnership or corporation shall not be affected.
- (c) In any action taken against a REALTOR Member for suspension or expulsion under Section 6(b) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR Member and said notified REALTORS® shall be advised that the provisions in Article VI, Section 6(b) shall apply.

Section 7. Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations 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, REALTOR-Associate or the REALTOR logo; to serve as President of the Association or to be a participant in the Association's multiple listing service, unless otherwise qualified to do so.

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

Section 9. Members Emeritus. Members Emeritus shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 10. Certification of REALTORS®. During a month that shall be established by the Board of Directors each year, "Designated" REALTORS® shall certify to the Association, in an approved format, a complete listing of all individuals licensed or certified with the REALTOR's

firm(s) within the State and shall designate a primary Board for each individual. These declarations shall be used for the purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual.

Section 11. Harassment. Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for sexual harassment of an Association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the Association. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks or other physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, 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 such person(s) 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 - PROFESSIONAL STANDARDS AND ARBITRATION

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

Section 2. Duty to Abide by Code. It shall be the duty and responsibility of every REALTOR Member of this Association to abide by the Constitution and Bylaws of the Association, the State Association and the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to mediate and 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 from time to time as amended.

Section 3. Cooperative Enforcement Agreements. The responsibility of the Association and Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the mediation and arbitration of disputes and the organization and procedures incident

thereto, shall be consistent with the cooperative professional standards enforcement agreement(s), if any, entered into by the Association, which by this reference is made a part of these Bylaws.

ARTICLE VIII - USE OF THE TERMS REALTOR AND REALTORS®

Section 1. Limitations on 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 and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by Members is a violation of a membership duty and may subject Members to disciplinary action by the Board of Directors after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual.

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

Section 3. All Principals Must be Members. 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 the principals of such firm, partnership or corporation who are actively engaged in the real estate profession within the State or a state contiguous thereto are REALTOR Members or Institute Affiliate Members as described in Section 1 (b) of Article IV.

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

Section 4. Limitations on Institute Affiliate Members. 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 - STATE AND NATIONAL MEMBERSHIPS

Section 1. Commitment to Membership. The Association shall be a Member of the

NATIONAL ASSOCIATION OF REALTORS® and the NEW YORK STATE ASSOCIATION OF REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the NEW YORK STATE 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, a decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. Exclusive Property Rights of National Association. 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. Adoption of Code of Ethics. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations and policies of the National Association and the NEW YORK STATE ASSOCIATION OF REALTORS®.

ARTICLE X - DUES AND ASSESSMENTS

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

Section 2. Dues. The annual dues of Members shall be as follows:

- (a) **REALTOR® Members.** The dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate licensees and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTORS® or REALTOR®-ASSOCIATE Members of any Association in the State or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in

the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another association in the State or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR®, as defined in (1) and (2) of this paragraph, in the office where the Designated REALTOR® holds membership and any other offices of the firm located within the jurisdiction of this Association.

- (1) For the purpose of this Section, a REALTOR® Member of a Member Board or Association shall be held to be any Member who has a place 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 2(a)(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.
- (2) A REALTOR with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR for consideration on a substantially exclusive basis shall annually file with the Association on a form approved by the Association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR filing the form for the 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) The annual dues of each REALTOR Member other than the designated REALTOR and of Members in all other categories of membership, shall be in such amount as established by the Board of Directors.
- (c) Initiation fees and dues as determined from time to time by the Board of Directors shall be posted at the office of the Association and/or may be posted electronically through the communications systems maintained by the Association and may be modified from time to time in accordance with any guidelines, directives or policies of the NEW YORK STATE ASSOCIATION OF REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®. Provided that the establishment of any specific dues or initiation fee schedule is not contrary to any policy of the NEW YORK STATE ASSOCIATION OF REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, the Board of Directors shall have the sole and exclusive right to establish such initiation fees and dues for all classifications of membership referred to in these Bylaws.

Note: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association, of Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of the 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 \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other local board or association. The National Association shall also credit \$25.00 to the account of the State Association 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.

Section 3. Dues Payable. All dues shall be payable in accordance with the procedures established by the Board of Directors.

Section 4. Non-payment of Dues. If dues are not paid within one month after the due date, the Member is subject to suspension at the discretion of the Board of Directors. Two months after the due date, membership will automatically terminate unless within that time the amount due is paid. A former Member whose membership terminated may apply for reinstatement within that calendar year after making payment in full of all dues for such year and all outstanding obligations to the Association, its affiliates, departments, divisions or subsidiaries.

Section 5. Deposit. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions including any bank, trust company or nationally recognized brokerage firm selected by resolution of the Board of Directors.

Section 6. Segregation of Dues. The Treasurer, or such Treasurer's designee, shall record all

dues collected.

Section 7. Assessment. Only REALTOR Members shall be liable for payment of any assessment that may be levied by a majority of the REALTOR Members present at either a special or regular meeting of the Association.

Section 8 Failure to Pay Dues, Fees or Charges. The charges for any services rendered by the Association other than through a subsidiary shall be fixed by the Board of Directors. A person or Member who fails to pay any such charge when due, or a Member who is in arrears in dues or any other financial obligation to a division or subsidiary of the Association, may be denied any and all services of the Association including membership in the Association at the discretion of the Board of Directors until all the accumulated indebtedness is paid in full.

Section 9. Military Duty of a Member. Association dues of a REALTOR Member who is actively engaged full time in military service of the United States of America shall be waived following the date of receipt by the Secretary or such person's designee, of a notice, in writing, from either: the REALTOR Member in such REALTOR Member's own behalf; or, the REALTOR Member by whom said REALTOR Member is employed or with whom such person is associated or affiliated; stating the nature of such military status and provided that thereafter, such notice is reviewed and approved by the Board of Directors.

Section 10. Special Membership Categories. The dues of REALTOR Members who are REALTOR® Emeritus (as recognized by the National Association), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

(a) The Association shall reduce the annual dues of the Members in such Special Categories in the amounts by which the Association's dues obligations to the State and National Associations are reduced by those organizations.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers and Their Qualifications. The elective Officers of the Association shall be: President, President-Elect, Secretary, Treasurer, Immediate Past President and the President of the current President of the Multiple Listing Service(s) that is (are) a subsidiary of the Association. These six (6) Officers shall be deemed to be the "Executive Committee" (*see also* Article XIII, Section 12). Such Officers shall serve for terms of one (1) year or until their successors are qualified and elected. Officers must meet the following qualifications:

(a) Each officer shall be a REALTOR® Member.

(b) The President shall have been President-Elect in the preceding elective year, unless the President-Elect is unable or unwilling to serve in the capacity of President or unless the Board of Directors in its discretion determines that the President-Elect in the preceding year has

exhibited conduct unbecoming an Officer of the Association. In the latter event, the Board of Directors may select the President from among those who were Officers or Directors in the preceding elective year.

- (c) The President-Elect shall have been an Officer or Director in the preceding elective year.
- (d) The Secretary shall have been an Officer or Director in the preceding elective year.
- (e) The Treasurer shall have been an Officer or Director in the preceding elective year.

Section 2. Duties of Officers.

(a) **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 or these Bylaws.

(b) **Specific Duties of President.** It shall be the duty of the President to preside at all meetings of the Association and of the Board of Directors and of the Executive Committee and to exercise a general supervision over all interests and activities of the Association. The President shall be an ex-officio member of all Councils and Committees except the Nominating Committee. With the Secretary, the President shall execute and deliver contracts on behalf of the Association when authorized to do so by the Board of Directors.

(c) **Specific Duties of President-Elect.** In the event of the absence or disability of the President, or upon the direction of the President, it shall be the duty of the President-Elect to preside at all meetings of the Association and of the Board of Directors and of the Executive Committee; and to exercise a general supervision over all interests and activities of the Association in the absence of the President.

(d) **Specific Duties of Regional Vice Presidents.** It shall be the duty of each Regional Vice President to represent the regional interests of Members from such person's applicable county, where local conditions may require strategies different from those in other counties in the Association's jurisdiction. Each Regional Vice President shall perform such additional functions as may be designated from time to time by the President and/or the Board of Directors.

(e) **Specific Duties of Secretary.** It shall be the particular duty of the Secretary, or such person's designee, to provide oversight to the staff person employed by the Association who is responsible to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the NEW YORK STATE ASSOCIATION OF REALTORS®. It shall also be the duty of the Secretary, or such person's designee, to ensure that an accurate record is kept of the proceedings of every meeting of the Association, of the Board of Directors and of the committees. The Secretary shall provide oversight to the staff person employed by the Association who is responsible to maintain a

complete and accurate roster of all Members and candidates for membership. The Secretary shall provide oversight to the staff person employed by the Association who is responsible to maintain custody of the Seal of the Associations; issue notices of all meetings of the Association and of the Board of Directors; and shall perform the duties prescribed in these Bylaws and such other duties as usually devolve upon a Secretary.

(f) Specific Duties of Treasurer. It shall be the duty of the Treasurer to: provide oversight to the staff person employed by the Association who is responsible to take direct charge of all funds and securities belonging to the Association; collect all fees, dues and other bills owing to the Association; make disbursements of Association funds under orders and regulations given by the Board of Directors; keep an accurate account of all receipts and disbursements in the customary form and manner; and report the financial condition of the Association at each Annual Meeting of the Association and at stated meetings of the Board of Directors when requested to do so showing assets and liabilities; receipts and disbursements. Such person shall ensure that at the direction of the Board of Directors due authorization is given to any Officer, the Chief Executive Officer, the Deputy Executive Officer or the Chief of Staff of the Association to issue and/or endorse checks for deposit to or from the accounts of the Association in banking institutions designated by the Board of Directors. The Treasurer shall serve as Chairman of the Finance Committee.

Section 3. Directors.

(a) Effective as of January 1, 2019, the Board of Directors shall consist of the following:

(1) The six (6) Officers of the Association, comprising the Executive Committee, as enumerated in Section 1 of this Article XI;

(2) There shall be five (5) Area Directors, one from each of the counties of Manhattan, Putnam, Orange, Rockland and Westchester, whose terms of office shall commence on January 1, 2019 and expire on December 31, 2019, and then for a term of one (1) year expiring every year thereafter;

(3) There shall be an additional fifteen (15) Directors (in addition to those Directors enumerated in Section 3(a)(1) and Section 3(a)(2) above) who shall serve for the following terms:

- (i) Effective as January 1, 2019, there shall be five (5) Directors that shall serve an initial term of one (1) year, which term shall commence on January 1, 2019 and expire on December 31, 2019, and then with terms expiring every three (3) years thereafter; and
- (ii) Effective as January 1, 2019, there shall be five (5) Directors that shall serve an initial term of two (2) years, which term shall

commence on January 1, 2019 and expire on December 31, 2020, and then with terms expiring every three (3) years thereafter; and

- (iii) Effective as January 1, 2019, there shall be five (5) Directors that shall serve an initial term of three (3) years, which term shall commence on January 1, 2019 and expire on December 31, 2021, and then with terms expiring every three (3) years thereafter.

(4) All Directors, as of the Effective Date of these Bylaws, serving their current terms, shall continue to serve until December 31, 2018, whereupon all current Directors' terms shall expire regardless of prior set expiration dates. The Directors who are to serve commencing on January 1, 2019 and thereafter (in accordance with Section 3(a)(1), Section 3(a)(2) and Section 3(a)(3) above), shall be chosen in accordance with these Bylaws and in accordance with this Section 3 of this Article XI.

(b) Duties and Authority of Directors.

(1) The Directors shall administer the affairs of the Association. They shall be the trustees of any property which the Association now owns or may, in the future, acquire. They shall elect all Members to the Association. They shall control the use and disbursement of all funds of the Association and shall, not later than their last regular meeting of each year, adopt a budget for such control of funds for the following year.

(2) The Board of Directors shall have the authority to hire a Chief Executive Officer who in turn, may authorize the hiring of all members of the staff. They shall prescribe the duties and compensation of said Chief Executive Officer. They may cause the formation or dissolution of a Professional Division or any subsidiary organization. They shall perform the duties prescribed by the Bylaws and such other acts which in their discretion will promote the objectives and welfare of the Association. Notwithstanding any other provision of these Bylaws, in addition to the foregoing powers, the Board of Directors shall have the power to revise guidelines, establish special Committees and to do all other acts necessary to effectuate any action deemed by the Board of Directors to be in the best interest of the Association.

(c) Attendance. It shall be the duty of a Director to attend all meetings of the Directors and of the Association. If a Director is absent from three (3) regular meetings of the Directors during a calendar year, the Board of Directors may in its discretion declare a vacancy and proceed to fill the unexpired term of said absent Director.

Section 4. Election of Officers and Directors.

(a) Nominations. At least three (3) months before the annual election of Directors, a Leadership Committee of seven (7) Members shall be appointed by the President in accordance with Section 10(b) of Article XIII of these Bylaws. The Leadership Committee shall nominate one

candidate for each office and one candidate for each seat to be filled on the Board of Directors. The report of the Leadership Committee shall be mailed to each Member eligible to vote, not less than thirty (30) nor more than sixty (60) days before the date of the meeting. The mailing of the notice of meeting together with the names of all nominees may be accomplished through facsimile, electronic mail, or the publication of said names in the official newspaper of the Association provided that said edition of the newspaper is mailed to each Member eligible to vote. Notification by facsimile or electronic mail, if utilized shall be sent not less than thirty (30) nor more than fifty (50) days prior to the date of such meeting (see Section 605 of the NFPCL).

Additional candidates for the Director seats to be filled may be placed in nomination by petition signed by at least three percent (3%) of the REALTOR® Members eligible to vote and who are affiliated with no fewer than twenty (20) different REALTOR® firms. Any such petition shall be filed with the Secretary at least twenty-one (21) days before the election of Directors. At least fourteen (14) days prior to the date of the election of Directors, the Secretary shall post a list of all nominees at all offices of the Association and provide to all Members notification of such posting by e-mail and/or publication in the official newspaper of the Association.

Additional candidates for the offices to be filled may be placed in nomination by any three (3) directors by written notice to the Association at least seven (7) days before the scheduled election of officers.

(b) Election of Directors. The election of Directors shall take place at the Annual Meeting. The election may be by voice vote. Alternatively, and at the request of twenty (20%) percent or more of the Members present in person, such election shall be made by ballot. All votes may be made in person or pursuant to proxy (see Article XII, Section 9 of these Bylaws and Section 609 of the NFPCL). In the event that the method of balloting is in dispute, the presiding officer at such meeting may appoint a Parliamentarian or authorize counsel for the Association to act in that capacity. The decision of the Parliamentarian or counsel so appointed, shall be final.

(c) Election Committee. The President may appoint an Election Committee of ten (10) REALTOR® Members to count votes, validate proxies and to assist with the conduct of the election. In the case of a tie, the issue shall be determined by lot.

(d) Election of Officers. The Officers shall be elected by the current sitting Board of Directors at the meeting of the Board of Directors next following the Annual Meeting. The then acting President shall preside at such Board of Directors Meeting and supervise the election of all Officers. The Officers shall enter upon their respective terms of office on the first day of the calendar year following their election. If for any reason the meeting of the Board of Directors at which the election of Officers is to take place is adjourned to a date which is in the next calendar year, such Officers shall take office immediately following their election by the Board of Directors.

(e) President-Elect to Succeed President. The President-Elect for the prior elective year shall be elected President, unless any Officer or Director objects on the grounds that the candidate

is no longer eligible for the office or has engaged in misconduct in which event the Board of Directors shall by majority vote make a final determination as to such eligibility.

(f) **Immediate Past President.** The President then serving shall be elected Immediate Past President, unless any Officer or Director objects on the grounds that the candidate is no longer eligible for the office or has engaged in misconduct in which event the Board of Directors shall by majority vote make a final determination as to such eligibility.

(g) **Limitation on Directors from One Firm.** No more than five (5) persons affiliated with the same firm, partnership or corporation may serve as Directors at the same time. The forgoing limitation shall apply to the affiliations of Directors at the time of their election to office. The limitations shall not be deemed to be violated on account of changes of affiliation that may occur after Directors have been elected. The limitation shall not apply to the HGMLS President.

(h) **Ineligible Candidates.** Directors and Officers of independent multiple listing services which are not owned or controlled by a Board of REALTORS® and which do not agree to be bound by the REALTOR® Code of Ethics and the Constitution and Bylaws of the National Association of REALTORS®, shall not be eligible to be Officers or Directors of the Association or its divisions or subsidiaries.

Section 5. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next Annual Meeting or Directors' Meeting at which new Directors or Officers are customarily elected.

Section 6. Removal of Officers and Directors. 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 (1/3rd) of the voting membership of the Association or by not less than two thirds (2/3rd) of all Directors shall be filed with the President or, if the President is the subject of the petition, with the Secretary, 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 nor more than forty-five (45) days thereafter, a special meeting of the Board of Directors shall be held, and the sole business of the meeting shall be 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 each member of the Board of Directors 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 Secretary will conduct the meeting of the Board of Directors. Provided a quorum is present, a three-fourths (3/4ths) vote of the members of the Board of Directors present shall be required for

removal from office.

(d) The Board of Directors may remove any Officer or Director for misconduct or dereliction of duty upon a vote of three-fourths (3/4ths) of the members of the Board of Directors present at a duly constituted meeting held in the same manner as set forth in subsection (c) above.

Section 7. Executive Officer.

(a) In the event that the Board of Directors of the Association employs an executive officer, such person shall have the title of Chief Executive Officer.

(b) The Chief Executive Officer shall be the general Administrative Officer of the Association. Such person shall implement the directives of the Board of Directors of the Association in facilitating the policies and management of the Association.

(c) The Chief Executive Officer shall function as the general Administrative Officer of any subsidiary of the Association. With respect to such subsidiaries, such Chief Executive Officer shall implement the requests of the Board of Directors of the subsidiary and shall be responsible to the Board of Directors of such subsidiary in such manner as may be consistent with the Bylaws of such subsidiary and the policies and Bylaws of the Association, as set forth in the governing documents of such subsidiary.

Section 8. Indemnification of Officers and Directors. The Association shall to the maximum extent permitted by the Certificate of Incorporation of the Association and Sections 720, 721, 722, 723 and 724 of the NFPCL, indemnify and hold harmless the Officers, Directors, employees and agents of the Association unless a judgment or other final adjudication by a court of competent jurisdiction is issued and non-appealable which is adverse to such person and establishes that such person's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that such person personally gained a financial profit or other advantage to which such person was not legally entitled.

ARTICLE XII - MEETINGS, QUORUMS, PROXIES AND VOTING.

Section 1. Meeting of the Members. Each membership meeting of the Association, except the Annual Meeting, shall be held at a time and place appointed by the Executive Committee or by the Board of Directors or by written petition of at least five percent (5%) of the REALTOR® Members eligible to vote, representing at least twenty (20) or more firms, partnerships or corporations affiliated with the Association through membership of one or more REALTOR® Members. The procedures for convening a Membership meeting by petition shall be:

(a) The Executive Committee or Board of Directors shall appoint the date, time and place for the Membership meeting, which date shall occur within forty-five (45) days of receipt of the petition by the Secretary;

(b) The business of the Membership meeting shall be as stated in the petition unless a majority of the petitioners give consent to restate the business of the petition;

(c) Upon the request of the petitioners made at least thirty (30) days prior to the meeting and addressed to the Secretary, the Executive Committee or the Board of Directors shall appoint a professional parliamentarian (who is not a REALTOR® Member) or counsel to the Association, to decide and supervise the parliamentary conduct of the meeting. The Executive Committee or the Board of Directors, upon their own initiative, may also appoint such parliamentarian for any Membership meeting. Any decision of the Parliamentarian shall be final and shall not be subject to review.

(d) Notice of such membership meeting setting forth in full the subject matter to be addressed at such meeting shall be published in the official newspaper of the Association which shall be sent by facsimile, electronic mail, or United States mail to each Member entitled to vote not less than thirty (30) nor more than sixty (60) days prior to the date of such meeting (NFPCL Section 605(a)).

Section 2. Annual Meeting of the Members.

(a) The Annual Meeting shall take place during the months of October or November of each year.

(b) Notice of the date of the Annual Meeting and the procedures for nominations and elections as set forth in Section 5 of Article XI herein shall be made to the membership during the month prior to the Annual Meeting. A general notice in the official publication of the Association shall constitute notice to the membership provided that such official publication is mailed to each Member entitled to vote not less than thirty (30) nor more than sixty (60) days prior to the date of such meeting. Such Notice may also be sent to each Member entitled to vote by facsimile, electronic mail, or first class mail not less than thirty (30) nor more than fifty (50) days prior to the date of such meeting (NFPCL Section 605(a)).

(c) The membership in attendance at the Annual Meeting shall by majority vote elect Directors of the Association from the ballot of nominees submitted to the Members pursuant to Article XIII, Section 10(b) of these Bylaws, or as submitted by alternative nominating procedures as set forth in Article XI, Section 5(a). No nominations from the floor will be accepted.

Section 3. Meetings of the Board of Directors. A regular meeting of the Board of Directors shall be held monthly at least eight (8) times in each calendar year. All Members are welcome to attend meetings of the Board of Directors if space permits. Any Member wishing to express a point of view regarding any issue before the Board of Directors may do so only with the approval of a majority of the Directors present at such meeting or the prior approval of the Executive Committee.

Section 4. Annual Organization Meeting. The annual organization meeting of the Board of Directors shall be the first regular meeting of the Directors in each calendar year.

Section 5. Special Meetings of the Board of Directors. A special meeting of the Board of Directors shall be called by the President when requested by a majority of the Executive Committee or by written request of ten (10) or more Directors and only that business stated in the notice of the meeting shall be voted on.

Section 6. Association Membership Meeting Notice. Except as otherwise set forth in these Bylaws, one notice of the date, time, place and purpose of each meeting of the Membership of the Association shall be transmitted via facsimile, electronic mail or first class mail by or on behalf of the Secretary to the preferred contact address of each REALTOR® Member. A ballot or ballots of nominees shall be posted in each office of the Association and/or may be posted electronically through the communications systems maintained by the Association at least fifteen (15) days prior to the date of the Annual Meeting. One notice of the proposed ballot to each office shall constitute notice to all REALTOR® Members. If additional nominations are submitted pursuant to Article XI, Section 5 of these Bylaws, then notice of such additional nominees shall be given to the Membership of the Association in accordance with the above procedure, not less than fourteen (14) days prior to such meeting date. Notice shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting (NFPCL Section 605(a)).

Section 7. Board of Directors Meeting Notices. One notice of the date, time, and place of each meeting of the Board of Directors shall be mailed or transmitted by electronic mail by the Secretary, or such person's designee, to the office address, fax number or e-mail address of each Director. Notices of regular meetings shall be transmitted not less than seven (7) calendar days prior to the meeting date. If, in the opinion of the Executive Committee, time is of the essence, a special meeting of the Board of Directors may be called by telephone notice to all Directors at least two (2) days prior to the meeting date. In such instance, the requirement for a seven (7) day notice shall be deemed waived (NFPCL Section 711(b)).

Section 8. Quorums.

(a) **Quorums/Association Membership Meetings.** The attendance in person or by proxy at an Association Membership Meeting of REALTOR® Members associated with and representing a minimum of ten percent (10%) of the sole proprietorships, partnerships, limited liability companies or corporations in good standing affiliated with the Association through such firms having at least one REALTOR® Member of the Association, but in no event less than one hundred (100) REALTOR® Members of the Association, shall constitute a quorum for the purpose of conducting any such Association Membership Meeting (NFPCL Section 608(b)).

(b) **Quorums/Board of Directors' Meeting.** A quorum for the transaction of business at any regular or special meeting of the Board of Directors shall be a majority of the Directors.

Section 9. Proxies. REALTOR® Members may vote by proxy at Association Membership

meetings, provided:

- (a) The person who votes the proxy is a REALTOR® Member of the Association and acts for only one (1) absent REALTOR®;
- (b) A duly executed proxy authorization is presented to the Secretary, or such person's designee, at or prior to the meeting;
- (c) There is a quorum present in person, and;
- (d) The proxy is used for voting only on those matters which have been duly set forth in the notice of the meeting and provided that such notice has been communicated in accordance with Section 6 of this Article (see NFPCL Section 609).

ARTICLE XIII - COUNCILS AND COMMITTEES.

Section 1. Standing Councils and Committees. The Association shall maintain standing Councils and Committees to accomplish the objectives enumerated in Article II of these Bylaws. Councils, which may be given other nomenclature by the Board of Directors, shall be the higher level of organization and shall direct and coordinate the work of subordinate Committees. The following shall be the standing Councils and Committees of the Association:

- (a) Professional Standards Council, which shall include a Grievance Committee, Mediation Committee, and a Professional Standards and Arbitration Committee; Legislative, Legal and Political Affairs Council, Education Council, and Communications and Member Services Council;
- (b) Committees for Equal Opportunity, Finance, Leadership, Long Range Planning and Membership;
- (c) Executive Committee, which shall be a standing Committee of the Board of Directors.

Section 2. Special Committees. The Board of Directors, or the President with the approval of the Board of Directors, may create and charge Special Committees as may be deemed necessary from time to time. Council Chairmen, with the approval of the Board of Directors, may create and charge Special Committees subordinate to their Councils as may be deemed necessary from time to time.

Section 3. Appointment of Members. The President shall have the responsibility for the appointment of Chairmen, Vice-Chairmen and members of all Councils and Committees except those which have their own election structure. The President's nominees to serve as members of the Leadership Committee shall be subject to confirmation by the Board of Directors and such appointees shall take office at the same time that the President-Elect takes office as President or upon confirmation by the Board of Directors, whichever occurs later.

Unless these Bylaws provide otherwise, any Member of the Association is eligible for appointment to serve on any Council or Committee, including service in the capacity of Chairman of such Council or Committee. The President shall be an ex-officio member of all Councils and Committees, without vote, except as noted in Article XI, Section 2(b) of these Bylaws, and shall receive notices and minutes of all meetings.

Section 4. Organization.

(a) The size, composition, duties, functions and powers of all Councils and Committees shall be as assigned by the Board of Directors, or by the President with the approval of the Board of Directors, except as otherwise specified in these Bylaws.

(b) Each Standing Council shall have no fewer than five (5) members inclusive of: the Council Chairman and Vice-Chairman of each subordinate Committee; and a number of Members at large as may be necessary to attain five (5) Members of the Council.

(c) Each Standing Committee shall have no fewer than five (5) Members, inclusive of the Chairman and Vice-Chairman.

Section 5. Professional Standards Council. The Professional Standards Council shall include a Grievance Committee of at least five (5) members; a Mediation Committee of at least five (5) members; and a Professional Standards and Arbitration Committee of at least twenty-five (25) members, whose organization and function are as specified in the Code of Ethics and Arbitration Manual of the Association as adopted pursuant to Article VII of these Bylaws. Officers of the Association are ineligible to serve on this Council during their terms of office.

Section 6. Education Council. The members of the Education Council shall be all those persons holding the offices enumerated in Section 4 (b) of this Article.

Section 7. Other Councils. The Legislative, Legal and Political Affairs Council and the Communications and Member Services Council shall be organized pursuant to Section 4 of this Article.

Section 8. Equal Opportunity Committee. It shall be the duty of the Committee to advance the ideals of non-discrimination and equal opportunity in all matters affecting the practice of real estate including specific standards as set forth in the Code of Ethics and the Code for Equal Opportunity.

Section 9. Finance Committee. The Finance Committee of the Association shall consist of:

- (1) the Treasurer of the Association, who shall be Chairman;
- (2) the Treasurer of Hudson Gateway Multiple Listing Service, Inc.;

(3) a designee of the Education Council; and

(4) at least three (3) additional members appointed by the President with the approval of the Board of Directors.

It shall be the duty of the Finance Committee to propose the budget of the Association, to supervise the Association's budgetary and financial performance and to safeguard the Association's assets and investments.

Section 10. Leadership Committee. The Leadership Committee shall consist of the immediate Past President of the Association, who shall be Chairman; two (2) other Past Presidents of the Association; and four (4) other members who are not Past Presidents but at least two (2) of whom are Directors.

(a) A quorum of the Committee shall consist of five (5) of its members.

(b) It shall be the duty of the Leadership Committee to prepare a ballot of nominees for all Officers and Directors of the Association, except those who are elected by Councils or Committees. The Ballot shall contain the name, firm and address of each candidate and the position to which nominated and shall be reported to the Association Secretary for posting in the Association Offices not less than forty-five (45) days prior to the Annual Meeting of the Association. The Secretary, or such person's designee, shall mail the ballot for Directors to each member firm at its principal office or publish the ballot developed by the Leadership Committee in the official publication of the Association no less than thirty (30) days prior to the Annual Meeting.

(c) It shall be a duty of the Leadership Committee to nominate the annual Trustees of the Hudson Gateway Realtor® Foundation, Inc.

(d) It shall be a duty of the Leadership Committee to solicit nominees each year from any Chapters of the Association, for the position of Chapter Director of the Association, subject to the approval of the Board of Directors, in accordance with the provisions of Article XX, Section 5 of these Bylaws.

(e) It shall also be the duty of the Leadership Committee to nominate persons to serve as Directors of the Association when vacancies occur, and as Directors of the National or New York State Associations of REALTORS® as appointees of the Association.

(f) No member of the Leadership Committee may nominate himself or herself to hold elective office as an Officer or Director. No Committee member for any part of a year shall be eligible to be nominated to or elected as an Officer of the Association during the same calendar year.

(g) It shall also be the duty of the Leadership Committee to recruit and develop leaders for elective and appointive office from among the Members of the Association.

Section 11. Long Range Planning Committee. The Long Range Planning Committee shall consist of no fewer than eleven (11) Members having the broadest possible representation of the Association membership by size of firm, location, category of membership and real estate specialization. It shall be the annual duty of the Long Range Planning Committee to review, update and extend by one year the Long Range Plan of the Association and to submit same to the Board of Directors for approval.

Section 12. Executive Committee. The Executive Committee shall consist of six (6) members, which shall include the President, the President-Elect, the Treasurer, the Secretary, the Immediate Past President and the current President of the Multiple Listing Service(s) that is (are) a subsidiary of the Association. The President shall be chairperson. It shall be the duty of the Executive Committee to examine all matters delegated to it by the Board of Directors and to act on matters of urgency on behalf of the Board of Directors between regular meetings.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR AND SEAL

Section 1. The Fiscal and Elective Years of the Association shall both commence on January 1 and expire on December 31 in each year.

Section 2. The seal of the Association shall be in the following form:

ARTICLE XV - RULES OF ORDER

Section 1. Robert's Rules of Order (edition to be selected by the Board of Directors) 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. An interpretation of Robert's Rules made by a duly appointed parliamentarian shall be binding for all purposes and shall not be subject to review.

ARTICLE XVI - AMENDMENTS

Section 1. These Bylaws may be amended by a majority vote of the Members present and qualified to vote, including by proxy, at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the Notice of Meeting.

Section 2. Notice of all meetings other than the Annual Meeting, at which amendments are to be considered shall be sent to each Member entitled to vote by facsimile, electronic mail, or first class mail, at least fourteen (14) days prior to the meeting.

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR®, REALTORS® and REALTOR® ASSOCIATE or any alteration of 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®.

Section 4. Notwithstanding any other provision of these Bylaws, a provision of these Bylaws may be amended solely by a majority vote of the Board of Directors if the amendment is recommended or required by the NATIONAL ASSOCIATION OF REALTORS® or the NEW YORK STATE ASSOCIATION OF REALTORS®.

Section 5. A question of construction of these Bylaws or of any Rules and Regulations of the Association shall be decided by the Board of Directors and such decision shall control until revised or altered at a membership meeting of the Association.

ARTICLE XVII - DISSOLUTION

Section 1. 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 NEW YORK STATE ASSOCIATION OF REALTORS® or within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVIII - MULTIPLE LISTING

Section 1. At least one Multiple Listing Service shall be maintained by the Association, as a partially or wholly-owned subsidiary, for the use of its Members. Such Multiple Listing Service shall be subject to the Bylaws of the entity formed for such purpose and such Rules and Regulations as may be hereinafter adopted by its Board of Directors provided that same comply with the Policies on Multiple Listing of the National Association of REALTORS®.

Section 2. Any multiple listing service owned partially or as a wholly owned subsidiary of this Association shall cause any such Multiple Listing Service to define MLS Participation as follows:

Any Realtor® of this or any other Association who is a principal, partner, corporate officer or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and 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 such person or entity holds a current, valid real estate broker's license and offers or accepts compensation to and from other Participants or is 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 an Association 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 by or published by an Association Multiple Listing Service where access to such information is prohibited by law.

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.

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.

ARTICLE XIX - REAL ESTATE SPECIALIZATIONS

Section 1. Creation of Identifiable Groups and Committees. Members having kindred interests in a particular branch of the real estate profession may apply for formal recognition as a group or committee within the Real Estate Specializations Council by submitting to the Secretary of the Association an application, in writing, signed by the Members of said group stating therein the proposed name and objectives of such group, and provided that:

- (a) the application is recommended by the Executive Committee of the Association; and
- (b) the said recommendation is approved by an affirmative vote at a meeting of the Board of Directors.

Section 2. Governance of Recognized Specialization Groups. A Real Estate Specialization Group so organized may adopt Bylaws and/or Rules and Regulations for the guidance of its members, provided that such instruments are approved by the Board of Directors.

ARTICLE XX-CHAPTERS

Section 1. Authorization. The Board of Directors of the Hudson Gateway Association of REALTORS® may authorize the establishment of chapters within geographical limits, such chapters to continue at the pleasure of the Board of Directors. In addition, chapters shall at all times be governed by and conduct their affairs in accordance with the bylaws of the Hudson Gateway Association of REALTORS®. The National Association of REALTORS® must first approve any merger before a chapter may be established.

Chapters may not speak on policy issues on behalf of the Hudson Gateway Association of REALTORS® or on any other issues, matters or circumstances, without specific authority from the Hudson Gateway Association of REALTORS®.

Section 2. Geographic Chapters. The Board of Directors may define, redefine or divide the territorial jurisdiction of any chapter with the assistance of the National Association of REALTORS®.

Section 3. Chapter Name. The official name of a chapter will be identified by the geographical area of the chapter in addition to the primary association (example: Manhattan Chapter of the Hudson Gateway Association of REALTORS®.)

Section 4. Membership. An individual shall be required to be a member in good standing with the National Association of REALTORS® and the New York State Association of REALTORS® as a prerequisite for active membership in a chapter of the Hudson Gateway Association of REALTORS®.

Section 5. Board of Directors Involvement. The Manhattan Chapter has the right to appoint and nominate its representative on the Board of Directors (i.e., the Manhattan Area Director as provided for in Article XI, Section 3, Subsection (a)(3)) by any means that it sees fit, subject to approval of the Leadership Committee and ultimately, the Board of Directors, pursuant to these By-laws and in accordance with Article XI.

Section 6. Chapter Events. Etc. Each and every Chapter of the Association shall have a duty and obligation to provide as much prior written notification as possible to the Association of any and all events or proposed events, actions, functions, meetings, gatherings, etc., which shall all be subject to the approval of the Board of Directors of the Association.