

Bylaws of the Greater Capital Area Association of REALTORS[®], Inc.

ARTICLE I. NAME

Section 1. Name.

The name of this organization shall be the Greater Capital Area Association of REALTORS[®], Inc., hereinafter referred to as the “Association.”

Section 2. REALTORS[®].

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

ARTICLE II. OBJECTIVES

The objectives of the Association are:

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

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics and Arbitration Manual 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 interest of home and other real property ownership.

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

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

ARTICLE III. JURISDICTION

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is Montgomery County, Maryland and the District of Columbia.

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.

ARTICLE IV. MEMBERSHIP

Section 1. There shall be eight classes of Members as follows:

A. REALTOR® Members.

- (i) Individuals who, as sole proprietors, partners, corporate officers or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Maryland, the District of Columbia, 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 1B 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 1B of Article IV.

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

B. Franchise REALTOR® Membership

Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions 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, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local association, state association, and National Association.

C. 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.

D. Designated REALTOR® Members.

Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of association dues. 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.

E. 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 REALTOR® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such Membership.

F. Affiliate Members.

Affiliate Members shall be real estate related business owners and other individuals, corporations, partnerships or entities who, while not engaged in the real estate profession as defined in paragraph A or B of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association and have business interests and concerns involving the real estate industry.

Affiliate Members shall be non-licensed individuals, licensees whose official license status is inactive, or corporations, partnerships and other entities none of whose principals or owners are real estate licensees. Appraisers may elect to be REALTOR® Members as set forth herein, or to be Affiliate Members.

G. Affiliate Members shall be divided into three (3) subclasses:

- (i) Corporations, partnerships or other entities that are not engaged in real estate brokerage or a specialty of the real estate profession; the firm may appoint up to three of its employees or independent contractors to represent the firm. These three members may change from time to time without additional dues or fees. Other employees or independent contractors from the same firm may join at a fee to be established by the Board of Directors.
- (ii) Individuals affiliated with firms that are engaged in real estate brokerage or a specialty of the real estate profession.
- (iii) Individuals not affiliated with a firm or who are affiliated with a firm who desire their own membership. The qualifications for this class of Membership shall be established by the Board of Directors.

H. Public Service Members.

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

I. Honorary Members.

Honorary Members shall be individuals who hold Membership in this Association in any of the Membership classes and who performed notable service for the real estate business, the general public or the industry. Exemption from dues, if any, shall be as specified by the Board of Directors at the time the status is granted. Honorary Membership shall confer no rights except the right to attend meetings and participate in discussion and shall impose no obligations. NOTE: Honorary Members must pay assessments to the NATIONAL ASSOCIATION OF REALTORS® and the Maryland REALTORS®, Inc., the District of Columbia Association of REALTORS® Inc. or any other contiguous state Association, as herein provided.

J. Student Members.

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

K. Inactive Members.

Inactive Members shall be individuals who may be granted partial or total waiver of Association dues as determined by the Board of Directors for a specific length of time because of illness, age of 75 years or over or temporary absence from the Metropolitan area for a period not to exceed twelve (12) months. This class of membership enables a Member who has an established relationship with the Association to retain identity with the Association. Such Members shall have limited privileges or rights and shall not be entitled to any services of the Association, except that they may reactivate their previous class of membership without the usual application or processing fee, upon request to and receipt of approval by the Board of Directors. This status shall be conferred strictly at the sole discretion of the Board of Directors.

L. Emeritus Members.

GCCAR shall recognize primary REALTOR® members and Affiliate members as emeritus members based on qualifications determined by the Board of Directors.

ARTICLE V. QUALIFICATION AND ELECTION

Section 1. Application.

An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant:

- A. That applicant has or has had access to, has carefully reviewed, and if elected a member, will abide by the bylaws of the Association, the Constitution and bylaws of the state Association in which the applicant holds membership (hereinafter referred to as the “Applicable State Association”), the Constitution and Bylaws of the National Association of REALTORS® 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 Arbitration Manual of the National Association of REALTORS®, as from time to time amended, and
- B. That applicant consents that the Association, through its Chief Executive Officer or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel or defamation of character. The applicant shall, with the form of

application, have access to a copy of the Bylaws, Constitution, Policies and Procedures Manual and Code of Ethics and Arbitration Manual of referred to above.

Section 2. Qualification.

- A. An applicant for REALTOR® Membership who is a principal, partner, corporate officer or branch office manager of a real estate firm shall supply evidence satisfactory to the Chief Executive Officer that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's, associate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state of Maryland or the District of Columbia or a state contiguous thereto (unless a secondary Member), has no record of recent or pending bankruptcy, and has no record of official sanctions involving unprofessional conduct. The applicant agrees to attend an orientation course covering the Bylaws, Policies and Procedures Manual of the Association, the Bylaws of the Applicable State Association, and the Constitution and Bylaws and Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, and shall agree that if elected to Membership will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, Policies and Procedures Manual of the Association, the Applicable State Association and the NATIONAL ASSOCIATION OF REALTORS®. An Applicant will receive Association membership benefits upon payment of all dues and fees, provided that the applicant attends a new member orientation and Code of Ethics orientation course. The Association shall provide orientation courses at least semi-annually. The applicant must attend both mandatory orientation programs within 90 days from the Association's receipt of their application. Failure to attend the orientation courses within the prescribed time will result in revocation of the applicant's membership.
- B. Individuals who are actively engaged in the real estate profession other than as principals, partners or corporate officers, in order to qualify for REALTOR® membership, shall at the time of application be associated either as an employee or as an independent contractor holding a current valid associate 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 with a REALTOR® member of this Association, or a Designated REALTOR® member of another Association (if a secondary member), shall attend an orientation course covering the Bylaws, Policies and Procedures Manual of the Association, the Bylaws of the applicable State Association, and the Constitution and Bylaws and Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, and shall agree in writing that if elected to membership will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by

the Constitution, Bylaws, Policies and Procedures Manual of the Association, the Applicable State Association and the NATIONAL ASSOCIATION OF REALTORS®. An application will receive Association membership benefits upon payment of all dues and fees provided that the applicant attends mandatory new member orientation and Code of Ethics orientation course. The Association shall provide an orientation course at least semi-annually. The applicant must attend both mandatory orientation programs within 90 days from the Association's receipt of their application. Failure to attend the orientation course within the prescribed time will result in revocation of the applicant's membership.

- C. The applicant for any other class of Membership shall meet such qualifications (other than previously provided) as may be established by the Board of Directors for same.

Section 3. Election.

The procedure for election to Membership shall be as follows:

- 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 (for example, completion of a mandatory orientation program) within 90 days 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 the individual less a pro-rated 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 advanced notice of the findings, an opportunity to appear before the Board of

Directors, to call witnesses on his/her behalf, to be represented by council, 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. (Adopted 1/98, amended 1/05).

Section 4. New Member Orientation

Applicants for primary REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on GCAAR and NAR of not less than one (1) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for secondary REALTOR® membership or affiliate membership.

Failure to satisfy this requirement within 90 days of the date of application (or, alternatively, the date that provisional membership was granted) will result in denial of the membership application or termination of provisional membership.

Section 5. Status Changes.

A REALTOR® member who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within thirty (30) days of such change in conditions. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she has been licensed, or alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals, may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® principal. If the REALTOR® (non-principal) does not satisfy the requirements in these Bylaws for the category of membership to which he/she has transferred within sixty (60) days of the date on which he/she has advised the Association of his/her change in status, his/her new membership application will terminate automatically unless otherwise directed by the Board of Directors.

ARTICLE VI. PRIVILEGES AND OBLIGATIONS

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

Section 1. Privileges of REALTOR® Members.

REALTOR® members, whether primary or secondary, in good standing whose financial obligations to the association are paid in full shall be entitled to vote and to hold elective office in the association; may use the terms REALTOR® and REALTORS; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the association and the real estate profession.

Section 2. Obligation of REALTOR® Members.

It shall be the duty and responsibility of every REALTOR® member of this association to abide by the Constitution and Bylaws and the rules and regulations of the association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to 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, as from time to time amended.

Section 3. Discipline of REALTOR® Members. Any REALTOR® member of the association may be disciplined by the board of directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Discipline of non-REALTOR® Members.

Members other than REALTORS® may, upon recommendation of the Chief Executive Officer or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described in 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 Association, the Applicable State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 5. Resignation of Members

Resignation of Members shall become effective when received in writing by the Board of Directors. Resignation shall not relieve the resigning member of his/her obligation to pay fees, fines, or other assessments incurred up to and including the date of resignation. Further, the Association may condition the right of the resigning member to reapply for Membership upon the payment in full of all such moneys owed to the Association or to any other Local Association of REALTORS®.

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

Section 6. REALTOR® Members.

- 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 may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII of the Bylaws of the Association; and have the primary responsibility to safeguard and promote the standards, interests and welfare of the Association and the real estate profession. Members, in good standing, whose financial obligations to the Association are paid in full may hold elective or appointed office.
- B. If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in 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, 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 readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership or corporation is severed or unless the REALTOR[®] who is suspended or expelled removes himself/herself 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. 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[®] or 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 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, 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.

- C. In any action taken against a Designated REALTOR[®] Member for suspension or expulsion under Section 6B hereof and after the entry by a court of competent jurisdiction of a final non-appealable order confirming such suspension or expulsion, if applied for, notice of such action shall be given to all REALTORS[®] employed by or affiliated as independent contractors with such Designated REALTOR[®] and they shall be advised that the provisions in Article VI, Section 6B 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®.

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

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

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

Section 10. Honorary Members. Honorary Members shall confer only the right to attend meetings and participate in discussions.

Section 11. Student Members. Student Members shall have rights and privileges and shall be subject to obligations prescribed by the Board of Directors.

Section 12. Inactive Members. Inactive Members shall have such privileges and rights and shall be subject to such obligations as may be prescribed by the Board of Directors.

Section 13. Emeritus Members. Emeritus Members shall have rights and privileges and shall be subject to such obligations as may be prescribed by the Board of Directors.

Section 14. Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTORS® office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any nonmember licensed in the REALTORS® office(s) and if Designated REALTOR® dues have been paid to another Association based on said nonmember licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2 of the Bylaws.

ARTICLE VII. PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. New Member Code of Ethics Orientation

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within 90 days of the date of application (or, alternatively, the date that provisional membership was granted) will result in denial of the membership application or termination of provisional membership.

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

Section 2. Continuing Member Code of Ethics Training

Effective January 1, 2019, through December 31, 2021, and for successive three (3) year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) 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®, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed the New Member Code of Ethics Orientation during any three (3) year cycle shall not be required to complete additional ethics training until a new three (3) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three (3) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of three (3) 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 3. Enforcement of the Code.

The responsibility of the association and of association members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the

organization and procedures incident thereto, shall be governed by the NATIONAL ASSOCIATION OF REALTORS® Code of Ethics and Arbitration Manual, as from time to time amended, which by this reference is made a part of these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 4. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Policies and Procedures Manual of the Association, the Constitution and Bylaws of the Applicable State Association, the Constitution, Bylaws 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 of the NATIONAL ASSOCIATION OF REALTORS®, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended.

Section 5. All arbitration proceedings and enforcement herein shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS® and the laws of the State of Maryland, as more fully set forth in Subtitle 2, Courts and Judicial Proceedings Article, Annotated Code of Maryland (1995 Repl. Vol.) as from time to time amended or superseded.

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

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

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.

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.

A REALTOR® principal member 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.

In the case of a REALTOR® principal member 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 holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

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

The association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the Maryland REALTORS® and the District of Columbia Association of REALTORS®. By reason of the association's membership, each REALTOR® member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Maryland REALTORS® and the District of Columbia 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 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.

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.

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.

ARTICLE X. DUES, FEES, FINES, FINANCES AND BUDGET

Section 1. Application Fee.

The Board of Directors may adopt an application fee for REALTOR® Membership in a reasonable amount, not exceeding three (3) 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.

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

A. REALTOR® Members.

The dues of each REALTOR® Member shall be in such amount as established annually by the Board of Directors.

B. Designated REALTOR® Member Dues.

The annual dues of each Designated REALTOR® member shall be in such amount as established annually by the board of directors, plus an additional amount to be established annually by the board of directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in the state or a state contiguous thereto or Institute Affiliate members of the association. In calculating the dues payable to the association by a designated REALTOR® member, non-member licensees as defined in (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.

A REALTOR® member of a Member Board 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 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 provided that such licensee is not otherwise included in the computation of dues payable by the principal 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, renting, managing, counseling, or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the designated REALTOR®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.

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

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

- C. Institute Affiliate Members
The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.
- D. The dues of each category of Membership including (1) Affiliate Members, (2) Public Service Members, (3) Honorary Members, (4) Student Members, and (5) Inactive Members shall be in such amount as established by the Board of Directors.

Section 3. Dues Payable.

- A. The Association dues of all Members shall be payable periodically in advance as determined by the Board of Directors. Where secondary membership is involved and the Member's primary Association is other than the Association such Members shall provide a written certification of membership from his/her primary Association.

- B. In the event a sales licensee or licensed or certified appraiser who holds REALTOR[®] membership is dropped for nonpayment of Association dues, and the individual remains with the Designated REALTORS[®] firm, the dues obligation of the "Designated" REALTOR[®] (as set forth in Article X, Section 2) will be increased to reflect the addition of a non-member licensee.

Section 4. Nonpayment of Financial Obligations.

If dues, fees, fines, assessments, or other financial obligations, including amounts owed to the Association are not paid within one (1) month after the due date, the paying Member is subject to suspension at the discretion of the Board of Directors, and in accordance with the Policies and Procedures Manual of the Association. A Member may obtain automatic reinstatement if, during the term of suspension, all delinquent dues plus a reinstatement fee (as from time to time established by the Board of Directors) are paid. In the event all delinquent dues and the reinstatement fee are not paid in full within two (2) months after due date, provided at least ten (10) days written notice is given to the Member, Membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, Membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had Membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Policies and Procedures of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for Membership, after making payment in full of all accounts due as of the date of termination. A former (or terminated) Member who desires to reinstate his/her membership will be required to pay all fees and dues set forth for new Member applicants.

Section 5. Deposit.

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

Section 6. Limitation of Indebtedness - Expenditures.

- A. The Board of Directors shall administer the finances of the Association. The Board of Directors shall be authorized to borrow money for the general operation and business of the Association; however, the money borrowed during a single calendar year shall not exceed ten percent (10%) of the immediate previous year's total revenues received by the Association for dues and fees. Indebtedness incurred during previous

years, but not yet repaid, shall not be included as borrowed money for purposes of determining the amount of indebtedness, which may be incurred in a calendar year.

- B. The Board of Directors may, with authorization by a majority vote of the REALTOR[®] Members present at a duly constituted Membership meeting, borrow funds for special purposes and general Association matters, in addition to and separate from the indebtedness described in Section 6A of this Article, as determined to be necessary by the Board of Directors. Such indebtedness authorized by the REALTOR[®] Membership for special purposes and general Association matters shall not be included in determining the amount of annual indebtedness (borrowed money) which may be incurred pursuant to Section 6A of this Article.

Section 7. Notice of Dues, Fees, Assessments or Other Financial Obligations of Members.

All dues, fees, fines, assessments, or other financial obligations to the Association shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 8. Budget.

- A. The Chief Executive Officer shall prepare and present the proposed annual budget to the Budget and Finance Committee and the Board of Directors and the budget as proposed or modified shall be approved by the Board of Directors.
- B. A copy of the approved annual budget for the next calendar year shall be made available to the REALTOR[®] members by December 15th of the current year.
- C. The decision to approve, alter, change, reject or adopt the budget shall rest solely with the Board of Directors.

Section 9. Elected Officers, the Chief Executive Officer and all other Association employees handling or having responsibility for funds authorization or incurring expenses shall be bonded, at the expense and for the benefit of the Association, by a company approved by the Board of Directors, for the sum of not less than \$250,000 each.

ARTICLE XI. OFFICERS AND DIRECTORS

Section 1. Eligibility.

- A. ~~Only~~ ~~Primary~~ REALTOR[®] ~~M~~~~m~~embers ~~or~~ whose firms have offices in Maryland or the District of Columbia, and who work primarily from a place of business in Montgomery County or the District of Columbia for purposes of the NATIONAL ASSOCIATION OF REALTORS[®] and the Applicable State Association of REALTORS[®], shall be eligible to hold an elective office. Only Affiliate members whose firms have offices in Maryland or the District of Columbia, and who work primarily from a place of business in Montgomery County or the District of Columbia, shall are also be eligible, for a non-voting seat on the Board .
- B. A candidate for election as a Director or Officer must hold a valid real estate license in the State of Maryland or the District of Columbia and shall have been a member of the Association for at least four (4) consecutive years prior to the nomination. A candidate must have ~~served~~ completed at least two (2) full complete years of service on a GCAAR committee ~~for at least two (2) of within~~ the last five (5) years prior to applying to the Board through application or petition ~~the nomination~~. The Nominating Committee may recommend an exception to the committee experience requirement for an extraordinary candidate who has served at least one year on the Association's Grievance, Professional Standards, Public Policy or RPAC committees. The exception must be approved by the Executive Committee. The candidate must work primarily from a place of business in Montgomery County or the District of Columbia. The candidate must be a ~~M~~~~m~~ember in good standing with the Association, current in all dues and assessments. Candidates for Officer positions shall not be an Officer or Director of another local Association of REALTORS[®] or an Officer of a state Association of REALTORS[®]. Candidates for Director positions shall not be an Officer or Director of another local Association of REALTORS[®]. An Affiliate member candidate for Affiliate member need not hold a valid real estate license but must meet all other provisions of this section.
- ~~B.C.~~ A candidate for election as a Director or Officer who has been found in violation of the Code of Ethics is not eligible to serve on the GCAAR Board of Directors. Members may be eligible 36 months after ratification of the finding by the Board of Directors and the completion of any disciplinary action. Should a current member of the Board of Directors be found in violation of the Code of Ethics, they shall be removed from the Board upon ratification of the finding by the Board of Directors. The vacancy created shall be filled in accordance with Section 8 of this Article.
- ~~C.D.~~ No REALTOR[®] ~~M~~~~m~~ember shall be eligible to be nominated for more than one (1) position and no Director or Officer shall hold two (2) positions concurrently. If a Director is elected to an Officer position to commence during the Director's elective term, the Director shall give written notice to the President within five (5) days

from the date notice is distributed to the Members of the election results as to which position he/she will serve. If the Director fails to give the notice required, it shall be deemed conclusively that the Director has accepted, as of the commencement of the upcoming elective year, the Officer position and has resigned as Director. The vacancy created shall be filled in accordance with **Section 8** of this Article.

~~D.E.~~ The Nominating Committee shall determine that each candidate satisfies all eligibility requirements. In addition, the Nominating Committee shall be charged with soliciting nominees that are representative of the diversity of the Association membership. The Nominating Committee shall operate within procedures as approved by the Board of Directors and as otherwise set forth herein.

~~F.~~ No REALTOR® member shall be eligible to serve more than two consecutive two-year terms. Past Directors may run for office again, after one full year has passed since prior service on the Board of Directors. Nothing in this provision shall preclude a Director from seeking a position as an Officer of the Association during their fifth year of service.

~~E.G.~~ No non-voting Affiliate member shall be eligible to serve more than two consecutive one-year terms. Affiliate members shall not be eligible for Officer positions.

Section 2. Officers.

A. The Association shall have five officers as follows: a President, a President-Elect, an Immediate Past President, a Secretary, and a Treasurer. The President, the President- elect, and the Secretary shall be elected for one-year terms. The President-Elect shall automatically assume the office of President in the year following election as President- Elect. The Treasurer shall be appointed for a two-year term by a majority vote of the Board of Directors. The appointment of the Treasurer shall be done by the Board of Directors no later than October 1st every other year, the term to begin on January 1 of the following year. On or before October 1st of the year following appointment of the Treasurer, the Board of Directors will affirm the continuation of the Treasurer for the second year of the appointment. In the event the Board of Directors fails to affirm the continuation of the Treasurer for the second year of the term by a majority vote of the Board of Directors, the Board shall appoint a new Treasurer in accordance with the provisions contained herein. To qualify for appointment, the Treasurer shall have been a member of the Board of Directors for at least one year during the past three years. Candidates for other officer positions shall have served at least two years as a Director of the Association during the past three years. The Chief Executive Officer shall be a non- voting ex officio member of the

Board of Directors and the Executive Committee, and shall not be counted toward a quorum.

- B. To be eligible to serve as an officer of the Association, the candidate for each officer position must have first served as a director of the Association for at least two (2) years during the immediate three (3) years prior to the candidate's election as an officer. The requirements of this Section B., in the best interest of the Association, may be waived by the board of directors by majority vote at a duly called meeting at which a quorum is present in the event of unusual, unexpected, unforeseen and/or emergency circumstances."

Section 3. Duties of Officers.

The duties of the Officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors.

Section 4. Board of Directors.

- A. The governing body of the Association shall be a Board of Directors consisting of the Officers, as specified in Article XI, Section 2, ~~and~~ twelve (12) elected REALTOR® members of the Association, and one non-voting Affiliate member.
- B. As of January 1 of each year, no more than fifty percent (50%) of the Officers and Directors shall be from the same real estate company. In the event that an Officer or Director changes companies due to transfer, merger or consolidation, the Officer or Director may serve until the next election at which time they would have the opportunity to run for election again.
- C. As of January 1 of each year, at least one (1) of the Directors shall be from a real estate company of less than fifty (50) licensed agents.
- D. As of January 1 of each year, at least three (3) of the Directors shall have their primary office location in the District of Columbia, and at least six (6) of the Directors shall have their primary office location in Montgomery County, Maryland.

Positions to be filled shall first meet the requirements of the Article XI, Section 4 (B), (C) and (D). Once these requirements have been satisfied, all other Directors will be elected at-large.

- E. Absence from more than one-third of the regularly scheduled meetings of the Board of Directors shall constitute an automatic resignation from the Board of Directors
- F. The Director(s) of the NATIONAL ASSOCIATION OF REALTORS® shall first be the President of the Association. If a second director is permitted, the President-Elect of

the Association shall then be appointed. When the Association is permitted to appoint more than two (2) Directors to the NATIONAL ASSOCIATION OF REALTORS®, the additional Director(s) will be appointed by the executive committee and selected from the Association's current Board of Directors. The appointments shall be for one-year terms and subject to the approval of the Board of Directors of the Association.

- G. In the event the Association merges with one or more other Associations, with the Association being the surviving corporate entity, the Board of Directors shall be authorized to appoint additional Directors in any number from the merging Association or Associations to serve until the next election and assumption of duties.

Section 5. Election of Officers and Directors.

A. Nominating Committee.

~~A.~~

- (i) Composition. On or before August 1st of each year, a Nominating Committee comprising ~~of~~ Seven (7) REALTOR® members, including at least two members of the current Board of Directors whose terms in office are not expiring, shall be appointed by the President subject to confirmation by the Board of Directors.
- (ii) Slate. The Nominating Committee shall nominate at least two (2) REALTOR® members whose primary office location is in the District of Columbia for each odd numbered election year and one (1) REALTOR® member whose primary office is located in the District of Columbia for each even numbered election year, and at least three (3) REALTOR® members whose primary office location is in Montgomery County for election by the membership. The Nominating Committee shall nominate one (1) affiliate member for election by the Board of Directors. A quorum for the meetings of the Nominating Committee shall be four (4) members. The Nominating Committee shall solicit and select one or more candidates for each Officer position and one or more candidates for each Director position who meet the qualifications as specified in Article XI, Sections 1, 2, and 4.
- (iii) Report. The report of the Nominating Committee shall be distributed by mail or electronic means to the membership eligible to vote at least forty-five (45) calendar days preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least fifty (50) of the Members eligible to vote. The petition shall be filed with the Association at least thirty (30) calendar days before the election. The Association shall distribute by mail or electronic means notice of such additional nominations to all the membership eligible to vote at least fourteen (14) calendar days before the election. Any REALTOR® nominated by petition must meet the qualifications as specified in Article XI, Sections 1, 2, and 4.

B. Election Procedures - REALTOR® Members.

The election of Officers and Directors shall take place at a place or places designated by the Board of Directors. Election shall be by secret ballot and may be conducted in person or through the use of secure Internet voting procedures, as approved by the Board of Directors. In addition, provisions shall be adopted on an annual basis for absentee balloting for those members unable to vote during the established time of the annual election. The Board of Directors may also approve and adopt a process for voting by proxy or balloting by mail.

In the event that the election is conducted through the use of secure Internet voting procedures, the results will be reported directly to the appropriate staff at the Association and to the Executive Committee of the Association. In case of a tie vote, the names of the candidates involved in the tie vote shall be placed in a receptacle. A name shall be drawn and declared winner. This process shall be supervised by the Executive Committee of the Association. The Executive Committee will verify that the election results reflect compliance with the bylaws.

In the event that the election is conducted in person, the President, with the approval of the Board of Directors, shall appoint an Election Committee of at least six (6) REALTOR® Members to conduct the election. Only members of the Election Committee, Association Counsel, and appropriate support staff may be present during the counting of the ballots. In case of a tie vote, the issue shall be determined by name lot. The names of the candidates involved in the tie vote shall be placed in a receptacle. A name shall be drawn and shall be declared the winner. This process shall be supervised by the Election Committee. The Executive Committee will verify that the election results reflect compliance with the bylaws.

Section 6. Election Procedure – Non-voting Affiliate Member.

The Board of Directors shall vote to elect a non-voting affiliate member for a one-year term by December 1st of each year. Should the candidate nominated not prevail, the Board may either ask the Nominating Committee to provide a new candidate or select a different eligible candidate.

Section 6. Section 7. Election and Assumption of Duties.

The election of Officers and Directors shall take place between October 15th and December 1st of each year. All Officers and Directors shall assume the duties of office on January 1st of each year except those who are appointed by the Board of Directors to fill vacancies.

Section 7. Section 8. Executive Committee

The Executive Committee shall be composed of the Officers as specified in Article XI, Section 2. The Executive Committee shall be presided over by the President and shall meet at his/her call

or by the call of a majority of the Executive Committee. The function of the Executive Committee is to transact business which is within the authority of the Board of Directors under the Bylaws and which is of an urgent nature between meetings of the Board of Directors, and which in the opinion of the President, or the majority of the Executive Committee, does not require a decision of the entire Board of Directors. Any and all actions of the Executive Committee shall be reported in full to the Board of Directors at the next meeting thereof and said Directors shall ratify, confirm or overrule all such actions. The term of office of the members of the Executive Committee shall be concurrent with the term of the office to which the Officers have been elected to serve.

~~Section 8.~~Section 9. Vacancies

The following procedures shall apply when vacancies occur in the governing body of the Association:

- A. A. Vacancies that occur among the elected Officers and Directors of the governing body at any time shall be filled by appointment by the Board of Directors until the next annual election.

~~Section 9.~~Section 10. 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 either of the following procedures:

- A. Initiated by Petition of Membership.
 - (i) A petition requiring the removal of an Officer or Director and signed by not less than one-third (1/3) of the voting membership shall be filed with the President, and shall specifically set forth the reasons the individual is deemed disqualified from further service. If the President is the subject of the petition, it shall be filed with the next ranking Officer.
 - (ii) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting Membership of the Association 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.
 - (iii) Notice of the special meeting shall be distributed to all voting Members at least ten (10) calendar days prior to the meeting. The special meeting 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 by the Members. A three-fourths (3/4) vote of Members present and voting shall be required for removal from office.

B. Initiated by Directors.

- (i) A petition requiring the removal of an Officer or Director and signed by a majority of all Directors shall be filed with the President and shall specifically set forth the reasons the individual is deemed disqualified from further service. If the President is the subject of the petition, it shall be filed with the next ranking Officer. Upon receipt of the petition, the President or next ranking Officer, if appropriate, shall immediately give at least ten (10) days advance written notice to all Directors of a Special or Regular Meeting of Directors to be held to consider said petition of removal. At said meeting, the Officer or Director in question shall be removed if at least three-quarters (3/4) of all Directors entitled to vote, not including the Officer or Director against whom said petition of removal was filed, vote for the removal of said Officer or Director. If more than one-half (1/2) but fewer than three-quarters (3/4) of the Directors entitled to vote, vote for removal, then the provisions of subparagraphs B(2) and B(3) below shall be followed to refer the matter directly to the membership. If one-half (1/2) or less of the Directors entitled to vote, vote for removal, then the Officer or Director in question shall not be removed as a result of the filing of the petition for removal that was voted upon.
- (ii) If the Petition seeking removal of an Officer or Director is referred to the membership under subparagraph B(1) of this Section, a special meeting of the voting membership of the Association shall be held not less than twenty (20) days nor more than forty-five (45) days after the vote taken by the Board of Directors under subparagraph B(1). 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.
- (iii) Notice of the special meeting shall be distributed to all voting Members at least ten (10) calendar days prior to the meeting. The special meeting 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 by the Members. A three-fourths (3/4) vote of Members present and voting shall be required for removal from office.

Section 10-Section 11. Chief Executive Officer

There shall be a Chief Executive Officer who shall be employed by the Board of Directors. He/she shall be the Chief Executive Officer of the Association and responsible to the President and the Board of Directors. The Chief Executive Officer shall be in charge of the staff and responsible for its selection, subject to the approval of the Board of Directors. The Chief Executive Officer may approve and sign purchase orders and checks up to \$25,000 for expenditures as approved in the annual operating budget of the Association. The Chief Executive Officer plus one Officer with signatory authority may approve and sign those over \$25,000. He/she shall have supervision of the entire staff and shall perform such other duties as may be delegated by the Board of Directors, the Executive Committee, or the President, and all other duties usual to such office.

ARTICLE XII. MEETINGS

Section 1. Annual Meetings.

The annual meeting of the Association shall be held during the last quarter of each year; the date, place and hour to be designated by the Board of Directors.

Section 2. Special Meetings.

Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least ten percent (10%) of the REALTOR® Members eligible to vote.

Section 3. Meetings of Directors.

The Board of Directors shall designate a regular time and place of meetings.

Section 4. Notice of Meetings.

Written notice, including but not limited to electronic communications, shall be given to every Member entitled to participate in the meeting at least ten (10) calendar days prior to all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Special Meetings of the Directors.

Special meetings of the Board of Directors may be called by the President or by a majority of the Executive Committee upon notice to each Director as provided below. Special meetings of the Board of Directors shall be called by the President or by the Secretary on the written request of at least a majority of the members of the Board of Directors delivered to the President or Secretary. Written notice of any special meeting of the Board of Directors shall be given either personally by hand delivery at least three (3) calendar days prior to the special meeting or by mail posted at least five (5) calendar days prior to the special meeting. Any such notice shall state the time, place and purpose of the meeting.

Section 6. Waiver of Notice.

Before, at or after any special meeting, any person entitled to notice thereof may in writing, waive notice of such special meeting and such waiver shall be deemed the equivalent of the giving and receipt of any required notice. Attendance at any special meeting by anyone entitled to notice thereof shall be a waiver of notice by him/her of the time, place and purpose thereof. If all Directors are present at any special meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 7. Quorum.

A quorum for the transaction of any business at any annual or special REALTOR® meeting shall consist of one percent (1%) of the REALTOR® membership. A quorum for the transaction of any business at any regular or special meeting of the Board of Directors shall be a majority of all of the Officers and Directors then serving.

ARTICLE XIII. COMMITTEES

Section 1. Committees.

The President, in consultation with the Executive Committee and appropriate staff, shall appoint committee members, Chairs and Vice Chairs from among the Members of the Association as provided for in the Policies and Procedures Manual, subject to confirmation by the Board of Directors.

Section 2. Organization.

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

Section 3. President.

The President shall be an ex-officio member of all committees and shall be notified of all meetings.

Section 4. Attendance.

Any committee member who fails to attend three (3) regular or special meetings of the committee shall be dropped from the committee at the discretion of the President or the Committee Chair, and the vacancy shall be filled as herein provided for original appointees.

ARTICLE XIV. FISCAL AND ELECTIVE YEAR

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

ARTICLE XV. 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 XVI. AMENDMENTS

Section 1. These Bylaws may be amended by a majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments were

plainly stated in the call for the meeting. Amendments required pursuant to mandatory policy of the NATIONAL ASSOCIATION OF REALTORS® may be adopted by the affirmative vote of the majority of the Board of Directors of the Association without the necessity of Membership approval. The Association will promptly serve notice on the Membership of such changes.

Section 2. Members may vote by proxy, ballot by mail, electronic means, or any combination thereof, with such members being counted in determining a quorum for the purposes of a meeting at which amendments are to be considered. The Board of Directors shall establish procedures for Member voting by proxy, mail ballot or electronic means, with special consideration being given to adopting procedures to insure the confidentiality and integrity of the voting process.

Section 3. Written notice, including but not limited to electronic communications, of all meetings at which amendments are to be considered shall be sent to every Member eligible to vote at least ten (10) calendar days prior to the meeting.

Section 4. Amendments to these Bylaws, affecting the admission or qualifications 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 XVII. DISSOLUTION

Section 1. Upon the dissolution or winding up of affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Maryland REALTORS®, Inc., The District of Columbia Association of REALTORS®, Inc. or, within its discretion, to any nonprofit tax exempt organization.

Section 2. The Association may not be dissolved through corporate dissolution or through any other legal means unless done so by a majority vote of all REALTOR® Members of the Association at a meeting specially called for this purpose.

ARTICLE XVIII. MULTIPLE LISTING/DATA PROCESSING SERVICE

Section 1. Multiple Listing Service. The Association may maintain a Multiple Listing Service, which shall be subject to such Rules and Regulations as may be hereinafter adopted. The Multiple Listing Service may be a separate corporation or wholly-owned by the Association. Additionally or alternatively, the Association, by and

through its Board of Directors, may enter in written contractual agreements with other Associations of REALTORS® to provide for one-way or reciprocal access to the Multiple Listing Services of the Associations, as the case may be, or the Association may participate in a regional Multiple Listing Service, including part ownership thereof. Any Multiple Listing Service established pursuant to this Article shall conform its governing documents at all times to the Constitution, Bylaws, Rules, Regulations and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 2. Data Processing Service. The Association may maintain, for use of its Members, a Data Processing Service that shall be subject to the Bylaws, Policies and Procedures and Rules and Regulations as may be adopted by the Board of Directors.

ARTICLE XIX. POLICIES AND PROCEDURES AND FINANCIAL OBLIGATIONS OF MEMBERSHIP

The Policies and Procedures and Financial Obligations of Membership, as approved by the Board of Directors and published by the Association, shall constitute full guidelines and authority for implementation of the Bylaws. The responsibility of the Association and the Association Members relating to enforcement of the Policies and Procedures and Financial Obligations of Membership, the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS® shall be governed by the definitive procedures contained therein and as from time to time amended. These shall carry the same authority as the Association Bylaws and will be binding on all Association Members. All amendments, deletions or additions thereto, shall be considered as fully accepted following approval by the Board of Directors and dissemination to the Membership.

ARTICLE XX. LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. The Association shall indemnify every person who is or was an Officer, Director, Chief Executive Officer or employee of the Association and who was, is or will be threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, unless it is proved that: (A) the act or omission of the person was material to the cause of action adjudicated in the proceeding; and (1) was committed in bad faith; or (2) was the result of active and deliberate dishonesty; or (B) the person actually received an improper personal benefit in money, property or services; or (C) in the case of any criminal proceeding, the person had reasonable cause to believe that the act or omission was unlawful.

- A. The indemnification provided for in this Section 1 is against judgments, penalties, fines, settlements and reasonable expenses actually incurred in connection with any such threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative; provided, however, that if any such action, suit or proceeding was one by or in the right of the Association, indemnification shall not be made in respect of any proceeding in which the person shall have been adjudged to be liable to the Association. The termination of any such action, suit or proceeding by judgment, order or settlement, does not create a rebuttable presumption that the person otherwise entitled to indemnity did not meet the requisite standard of conduct set forth in this Section 1. The termination of any proceeding by conviction, or a plea of Nolo Contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the person did not meet the standard of conduct.
- B. The provisions of this Section 1 are intended to provide every person who is or was an Officer, Director, Chief Executive Officer or employee of the Association and who was, is or will be threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity with indemnification to the extent permitted in Section 2-418(b) of Title 2, Corporations and Associations Article, Annotated Code of Maryland (1993 Repl. Vol.) as from time to time amended or superseded.

Section 2. Indemnification under Section 1 of this Article may not be made by the Association unless authorized for a specific proceeding after a determination has been made that indemnification is permissible because the person who is or was an Officer, Director or Chief Executive Officer of the Association has met the standard of conduct set forth in Section 1 of this Article. Such determination shall be made in the manner provided in Section 2-418(e) of Title 2, Corporations and Associations Article, Annotated Code of Maryland (1993 Repl. Vol.) as from time to time amended or superseded.

Section 3. Reasonable expenses incurred by any person who is or was an Officer, Director, Chief Executive Officer or employee of the Association and who is a party to any threatened, pending or completed action, suit or proceeding by reason of service in that capacity may be paid or reimbursed by the Association in advance of the final disposition of that proceeding, upon receipt by the Association of:

- A. A written affirmation by that person of that person's good faith belief that the standard of conduct necessary for indemnification by the Association as authorized in Section 1 of this Article has been met; and

- B. A written undertaking by or on behalf of that person to repay the amount if it shall ultimately be determined that the standard of conduct necessary for indemnification by the Association as authorized in Section 1 of this Article has not been met. The undertaking required by this subparagraph B shall be an unlimited general obligation of the person making it but need not be secured and may be accepted without reference to financial ability to make the repayment.

Payments under this Section 3 shall be made as provided by the Charter, Bylaws or contract or as specified in Section 2.

Section 4. The Officers, Directors, Chief Executive Officer, and employees of the Association shall not be liable to the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Officers, Directors, Chief Executive Officer and employees of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association; and the Association shall indemnify and forever hold each such Officer, Director, Chief Executive Officer and employee free and harmless against any and all liability to others on account of any such contract or commitment.

Section 5. The provisions of this Article do not limit the power of the Association to pay or reimburse expenses incurred by any person who was or is an Officer, Director, Chief Executive Officer or employee of the Association in connection with an appearance as a witness in any proceeding by reason of service in that capacity or otherwise involving the Association, when that person has not been made a named defendant or respondent in the proceeding. Any right to indemnification provided for in this Article shall be in addition to, and not exclusive of, any other rights to which any person who is or was an Officer, Director, Chief Executive Officer or employee of the Association may be entitled, by law or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

ARTICLE XXI. SAVING CLAUSE

In the event that any part or portion of these Bylaws shall become inoperative because of a ruling, court order, injunction or otherwise, the remainder shall remain equally binding as if such action had not occurred.