

Revisions Include NAR Mandated Text. Association Board Approved 2-22-2017

Bylaws of the Buffalo Niagara Association of REALTORS® , Inc.

February 22, 2017

ARTICLE I - NAME

- Section 1.** **Name.** The name of this organization shall be the Buffalo Niagara Association of REALTORS®, Inc., hereinafter referred to as the “Association.”
- Section 2.** **REALTOR®.** Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of this Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II - OBJECTIVES

The objectives of the Association are:

- Section 1.** To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.
- Section 2.** To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.
- Section 3.** To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.
- Section 4.** To further the interests of home and other real property ownership.
- Section 5.** To unite those engaged in the real estate profession in this community with the NEW YORK STATE ASSOCIATION OF REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.
- Section 6.** To designate, for the benefit of the public, those authorized to use the terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III - JURISDICTION

Section 1. Territorial Jurisdiction. The territorial jurisdiction of this Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is:

All cities, towns and villages situated in the County of Erie, County of Niagara, County of Livingston, County of Genesee; the Townships of Arcade, Attica, Bennington, Castile, Covington, Eagle, Gainsville, Genesee Falls, Java, Middlebury, Orangeville, Perry, Pike, Sheldon, and Warsaw in the County of Wyoming; the Townships of Ridgeway, Shelby and Yates in the County of Orleans; and the Townships of East Bloomfield, West Bloomfield, Bristol, South Bristol, Canadice, Richmond, Naples, and Victor in Ontario County.

Section 2. Territorial jurisdiction is defined to mean:

- a. The right and duty to control the use of the terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE® subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV - MEMBERSHIP

Section 1. The Membership classes are as follows:

- a. **REALTOR® Members.** REALTOR® Members whether primary or secondary shall be:
 1. Individuals who hold a broker's license issued by the State of New York, or real estate appraisers who are licensed or certified by the State of New York, and who as sole proprietors, partners or 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 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 of New York or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership in a board/association of REALTORS® within the State or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(c) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in

the real estate business in connection with the same office, or any other offices within the jurisdiction of the board/association in which one of the firm's principals holds REALTOR[®] membership, shall be required to hold REALTOR[®] membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (c) of Article IV.

Note: REALTOR[®] members may obtain membership in a "secondary" Board/Association in another State.

2. Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or branch office managers and are associated with a REALTOR[®] Member and meet the qualifications set out in Article V.
3. Primary and secondary REALTOR[®] Members. An individual is a primary member if this 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 board/association. One of the principals in a real estate firm must be a Designated REALTOR[®] member of this Association in order for licensees affiliated with the firm to select this Association as their "primary" association.
4. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchises 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 board/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; the right to hold elective office in the local board/association, New York State Association of REALTORS[®] and NATIONAL ASSOCIATION OF REALTORS[®].
5. Designated REALTOR[®] Members. Each firm shall designate in writing one REALTOR[®] Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of board/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 of these Bylaws.

- b. **REALTOR-ASSOCIATE® Members.** REALTOR-ASSOCIATE® Members, whether primary or secondary, shall be individuals who are engaged in the real estate profession other than as principals, partners, or corporate officers and do not qualify for or seek REALTOR® Membership as described in Article V, Section 2(c). Salesmen and other associates of a real estate office shall be eligible for REALTOR-ASSOCIATE® Membership if they are employed by, or affiliated as an independent contractor with, a REALTOR® Member as provided in this Article. REALTOR-ASSOCIATE® Members may transfer to REALTOR® Membership by meeting the requirements for such membership set out in Article V.
- (1) Primary and secondary REALTOR-ASSOCIATE® 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 affiliate with the firm to select association as their “primary” association.
- c. **Institute Affiliate Members.** Institute Affiliate Members shall be individuals who hold a professional designation award 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® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such members.
- d. **Institutional Members.** Institutional Members shall be engaged in professions and enterprises allied to real estate, but not limited to, which shall be as follows:
1. Mortgage Banker
 2. Mortgage Broker
 3. Title Company
 4. Surveyor
 5. Home Inspector
 6. Real Estate Appraiser
 7. Attorney
- An Institutional Member must be an owner and/or officer or in a management position of respective enterprise.
- e. **Affiliate Members.** Affiliate members shall be real estate owners and other unlicensed individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a), (b) or (c) of this Section have interests requiring information concerning real estate and are in sympathy with the objectives of the Association, or are employees of a member of the REALTOR® or Institutional BNAR Member.

- f. **Public Service Members.** Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or 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.
- g. **Honorary Members.** Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.
- h. **Retired Members.** Retired Members shall have the same rights and privileges as Affiliate Members except that a Retired Member may maintain a real estate license. Retired Members may not however be engaged in the real estate profession for compensation including buying, selling, exchanging, renting, leasing, managing, appraising, financing, building, developing, subdividing or counseling.
- i. **REALTOR® Emeritus Members.** A REALTOR® Member who has held membership in the Association, for a cumulative period of forty (40) years, or who has been designated by the NATIONAL ASSOCIATION OF REALTORS® as a REALTOR® Emeritus, upon certification by the Board of Directors shall be designated as REALTOR® Emeritus.

Section 2. Creation of Chapters.

- a. The Board of Directors shall have the authority, from time to time, to create and/or eliminate such Chapters of this Association as it deems appropriate or necessary. The Association Board of Directors are authorized to establish such rules, regulations and terms and conditions for the conduct of affairs, membership, operations, finance and the like of any such division not inconsistent with the laws of New York. Any such division shall at all times remain subject to the regulation and control of the Association's Board of Directors. All Chapters shall operate only in a manner and method prescribed and approved by the Board of Directors of this Association.
- b. Except as otherwise provided by the Board of Directors, the creation and operation of any such Chapter shall comply with the following requirements:
 - 1. The objectives of the Chapter are beneficial to this Association and promote its mission.
 - 2. The Chapter must represent an organized specialty or discipline, in organized real estate.
 - 3. Chapter actions are subject to approval by this Association's Board of Directors pursuant to this Association's Bylaws.
 - 4. The Chapter must be financially self-sufficient.

5. Classes of membership that possess the right to vote and/or hold office in the Chapter and designees are subject to approval and/or regulation by the Board of Directors, if applicable.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application.

- a. An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant:
 1. That the applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®], the Constitution, Bylaws and Rules and Regulations of the Association, the New York State Association of REALTORS[®] AND NATIONAL ASSOCIATION OF REALTORS[®], and if a REALTOR[®], REALTOR-ASSOCIATE[®], or Secondary Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®] including the obligation to arbitrate or to mediate if required by the Association, 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.
 2. That applicant consents that the Association, through its Membership Committee 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, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification.

- a. An applicant for REALTOR[®] Membership who is a sole proprietor, principal, partner, or corporate officer or branch office manager of a real estate firm shall supply evidence satisfactory to the Association, through its Membership Committee or as otherwise provided, that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or associate broker's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct and has fulfilled Code of Ethics Orientation/Training requirements set forth in Section 3 of this article, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of this

Association, the Bylaws of the State Association, and the Constitution and 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 Membership Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

- b. Individuals who are actively engaged in the real estate profession other than as sole proprietors, principals, partners, or corporate officers, or branch office managers, in order to qualify for REALTOR[®] membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR[®] Member of this Association or a Designated REALTOR[®] Member of another board/association (if a secondary member), and must maintain a current, valid real estate broker's or associate broker's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the board/association, the Bylaws of the New York State Association of REALTORS[®], and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®] and has fulfilled Code of Ethics Orientation/Training requirements set forth in Section 3 of this article and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Membership Committee or as otherwise provided, and shall agree in writing that if elected to membership he/she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®], and by the Constitution, Bylaws, and Rules and Regulations of this Association, the New York State Association of REALTORS[®] and the NATIONAL ASSOCIATION OF REALTORS[®].
- c. An applicant for REALTOR-ASSOCIATE[®] Membership shall supply evidence to the Association, through its Membership Committee or as otherwise provided, that he/she is actively engaged in the real estate profession and is employed by a REALTOR[®] or affiliated with a REALTOR[®] as an independent contractor, must maintain a current valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of this Association, the Bylaws of the New York State Association of REALTORS[®], and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®], and has fulfilled Code of Ethics Orientation /Training requirements set forth in Section 3 of this article, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Membership Committee or as otherwise provided, and shall agree in writing that if elected to membership, he/she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®], and by the Constitution, Bylaws and Rules and Regulations of the Association, the New York State Association of REALTORS[®], and the NATIONAL ASSOCIATION OF REALTORS[®].

- d. The Association will consider the following in determining an applicant's qualifications for REALTOR® and REALTOR-ASSOCIATE® Membership:
1. All final findings of Code of Ethics violations and violations of other membership duties in this Association or any other REALTOR® board/association within the past three (3) years;
 2. Pending ethics complaints (or hearings);
 3. Unsatisfied discipline pending;
 4. Pending arbitration requests (or hearings);
 5. Unpaid arbitration awards or unpaid financial obligations to any other association or multiple listing service(s);
 6. Any misuse of the term REALTOR®, REALTORS® in the name of the applicant's firm.
- e. "Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other boards/associations or where the applicant for membership has unsatisfied discipline pending in another board/association except for violations of the Code of Ethics provided all other qualifications for membership have been satisfied. Membership status may be reconsidered of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved, or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® or REALTOR ASSOCIATES® and shall be subject to all of the same privileges and obligations of REALTOR® and REALTOR-ASSOCIATE® membership. If a member resigns from another board/association with an ethics complaint or arbitration request pending, the Association may condition membership on the applicant's certification that he/she will submit to the pending ethics, mediation or arbitration proceeding (in accordance with the established procedures of this Association and will abide by the decision of the hearing panel and Board of Directors.
- f. An applicant for Institutional Membership shall supply to the Association, through its Membership Committee or as otherwise provided, evidence that he/she is an officer or employee of an organization engaged in professions and enterprises as described in Article IV, Section 1(d).
- g. An applicant for Affiliate Membership shall supply to the Association, through its Membership Committee or as otherwise provided, an affidavit that the applicant is not currently licensed to sell real estate in New York State. Affiliate Membership does not confirm Membership in the New York State Association of REALTORS® or the

NATIONAL ASSOCIATION OF REALTORS®. Affiliate Members are not bound by the Code of Ethics.

- h. An applicant for Honorary Membership must be nominated by petition signed by no less than fifty percent (50%) of the current Board of Directors. Honorary Membership does not confirm Membership in the New York State Association of REALTORS® or the NATIONAL ASSOCIATION OF REALTORS®. Honorary Members are not bound by the Code of Ethics.
- i. An applicant for Retired Membership shall be a REALTOR® Member who has held REALTOR® or REALTOR-ASSOCIATE® Membership in the Association for at least twenty-five (25) consecutive years. The applicant shall guarantee to the Association, through its Membership Committee or as otherwise provided, that he or she is no longer actively involved in any phase of the real estate industry. Retired Membership includes Membership in the New York State Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®.
- j. An applicant for Public Service Membership shall supply to the Association, through its Membership Committee or as otherwise provided, evidence that he/she is an employee of or affiliated with educational, public utility, governmental or other similar organizations but is not engaged in the real estate profession on his/her own account or an association with an established real estate business. Public Service Members may or may not be licensed.
- k. An applicant for Secondary REALTOR® Members shall supply evidence to the Association, through its Membership Committee or as otherwise provided, that he/she is a REALTOR® Member in good standing of his/her primary association, including fulfillment of Code of Ethics Orientation/ Training requirements set forth in Section 3 of this article. Applicants must meet all the criteria for REALTOR® Membership.
- l. An applicant for Secondary REALTOR-ASSOCIATE® Member shall supply evidence to the Association, through its Membership Committee or as otherwise provided, that he/she is a REALTOR-ASSOCIATE® Member in good standing of his/her primary association, including fulfillment of Code of Ethics Orientation /Training requirements set forth in Section 3 of this article.

Section 3. New Member Code of Ethics Orientation.

- a. Applicants for REALTOR® and REALTOR ASSOCIATE® membership and provisional REALTOR® and REALTOR ASSOCIATE® 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® and REALTOR-ASSOCIATE® memberships or Provisional Members who have completed comparable orientation in another association, provided that REALTOR® or REALTOR-ASSOCIATE membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within 60 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® (Adopted 1/01)

- b. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, New York State Association of REALTORS®, NATIONAL ASSOCIATION OF REALTORS® or any other recognized educational institution, or provider which meets the learning objective and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time.

Section 4. Continuing Member Code of Ethics Training.

- a. Effective January 1, 2017 through December 31, 2018 and for the successive two (2) year periods thereafter, each REALTOR® Member and REALTOR-ASSOCIATE® Member of the Association (with the exception of REALTOR® and REALTOR-ASSOCIATE® Members granted REALTOR® Emeritus status by the NATIONAL ASSOCIATION OF REALTORS® (1) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instruction 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 New York 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 and REALTOR-ASSOCIATE® Members who have completed training as a requirement of membership in another association and REALTOR® Members and REALTOR-ASSOCIATE® Members who have completed training as a requirement of membership in another association and REALTOR® Members and REALTOR-ASSOCIATE® Members who have completed the New Member Code of Ethics Orientation during any two (2) year cycle shall not be required to complete additional ethics training until a new two year (2) cycle commences.
- b. Failure to satisfy the required periodic ethics training requirements shall be considered a violation of membership duty. 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.

Section 5. 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 sixty (60) 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 to the individual less a prorated amount to cover the number of days that the individual received Association services and any application fee. The Board of Directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he/she shall be declared elected to membership and shall be advised by written notice.
- c. The Board of Directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the Board of Directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.
- d. If the Board of Directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

Section 6. Status Change.

- a. A REALTOR® or REALTOR-ASSOCIATE® who changes the conditions under which he/she holds membership shall be required to provide written notification to this Association within thirty (30) days. A REALTOR® (non-principal) or REALTOR-ASSOCIATE® 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

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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 a REALTOR® (non-principal) or REALTOR-ASSOCIATE® does not satisfy the requirements established in these Bylaws for the category of membership to which he/she has transferred within forty-five (45) days of the date he/she advised this Association of his/her change in status, his/her new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

- b. Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.
- c. Dues shall be prorated from the first day of the quarter in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI - PRIVILEGES AND OBLIGATION

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

Section 2. Any member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although members other than REALTOR®, REALTOR-ASSOCIATES®, and Secondary Members 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®, REALTOR-ASSOCIATES®, and Secondary Members may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct which in the opinion of the Board of Directors, applied on a non-discriminatory basis, reflects adversely on the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Association, the New York State Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR®, REALTOR-ASSOCIATE®, or Secondary Member of the Board may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration

Manual of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.

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

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the Association with respect to disposition of the complaint is final by this Association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the Association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®

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

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

- a. If a REALTOR® Member is a sole proprietor, principal in a firm, 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, 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, or unless the REALTOR[®] Member (non-principal) elects to sever his/her connection with the REALTOR[®] Member and affiliate with another REALTOR[®] Member in good standing in the Association, whichever may apply. If a REALTOR[®] Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR[®] or REALTORS[®] by the firm, partnership, or corporation shall not be affected.

- b. In any action taken against a REALTOR[®] Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS[®] and/or REALTOR-ASSOCIATE[®]S employed by or affiliated as independent contractors with such REALTOR[®] Member, and they shall be advised that the provisions in Article VI, Section 6(a) and 7(d) shall apply.

Section 7. REALTOR-ASSOCIATE[®] Members.

- a. REALTOR-ASSOCIATE[®] Members shall have the right to use the term REALTOR-ASSOCIATE[®] subject to Article VIII of these Bylaws, and shall have all the rights and privileges of membership in the Association except the right to use the terms REALTOR[®] and REALTORS[®], to vote, or to hold elective office in the Association.
- b. REALTOR-ASSOCIATE[®] Members shall promote the interests and welfare of the Association and the real estate profession.
- c. REALTOR-ASSOCIATE[®] Members shall maintain and promote the same high ethical conduct in their real estate business as required of REALTOR[®] Members.
- d. The membership of a REALTOR-ASSOCIATE[®] Member shall suspend or terminate during the period of suspension or termination of a REALTOR[®] Member (principal) of the firm, partnership, or corporation with which he/she is associated, or until readmission of the disciplined REALTOR[®] Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR-ASSOCIATE[®] Member elects to sever his/her connection with the REALTOR[®] and affiliate with another REALTOR[®] Member in good standing in the Association, whichever may apply.

Section 8. Institute Affiliate Members.

Institute Affiliate Members shall have all the rights and privileges of membership except the right to use the term REALTOR[®], REALTOR-ASSOCIATE[®] and REALTORS[®],

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the right to vote, or to hold elective office in this Association and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Section 9. Institutional Members.

Institutional Members shall have all the rights and privileges of membership except the right to vote, or to hold elective office in this Association. Institutional Membership does not convey membership in the NATIONAL ASSOCIATION OF REALTORS® or the New York State Association of REALTORS®.

Section 10. Affiliate Member.

Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors except the right to use the terms REALTOR® and REALTORS®, to vote, or to hold elective office in the Association. Affiliate Membership does not convey membership in the NATIONAL ASSOCIATION OF REALTORS® or the New York State Association of REALTORS®.

Section 11. Public Service Members.

Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors except the right to use the terms REALTOR® and REALTORS®, to vote or to hold elective office in the Association. Public Service Membership does not convey membership in the NATIONAL ASSOCIATION OF REALTORS® or the New York State Association of REALTORS®.

Section 12. Secondary REALTOR® Members.

Secondary REALTOR® Members shall have all the rights and privileges and be subject to all the obligations of REALTOR® Members, including the right to vote and hold office.

Section 13. Secondary REALTOR-ASSOCIATE® Members.

Secondary REALTOR-ASSOCIATE® Members shall have all the rights and privileges and be subject to all the obligations of a REALTOR®-ASSOCIATE Member.

Section 14. Honorary Members.

Honorary Membership shall confer only the right to attend meetings and participate in discussions. Honorary Members do not have the right to use the terms REALTOR® and REALTORS®, to vote or to hold elective office in the Association. Honorary Membership does not convey membership in the NATIONAL ASSOCIATION OF REALTORS® or the New York State Association of REALTORS®.

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Section 15. Retired Members.

Retired Members shall have the rights and privileges and be subject to obligations prescribed by the Board of Directors, including the right to vote.

Section 16. Certification by REALTOR®.

“Designated” REALTOR® Members of the Association shall certify to the Association during the month of January (first month of fiscal year) on a form provided by this Association, a complete listing of all individuals licensed with the REALTOR®’s firm(s) or certified with the REALTOR®’s office(s) and shall designate a primary board/association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®’s office (s) and if Designated REALTOR® dues have been paid to another board/association based on said non-member licensees. The Designated REALTOR® shall identify the board/association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of these Bylaws.

Section 17. REALTOR® Emeritus.

REALTOR® Emeritus Members shall have all the rights and privileges and be subject to all the obligations of REALTOR® Members including the right to vote and hold office without payment of dues.

Note: REALTOR-ASSOCIATE® Emeritus shall not have the right to vote or hold office.

Section 18. New York State Association of REALTORS® President.

The President of the New York State Association of REALTORS® shall only have the right to represent the Association as a voting delegate at the NATIONAL ASSOCIATION OF REALTORS® Delegate Body Meeting, if asked by the Association. The New York State Association of REALTORS® President shall not have the right to vote or hold office in the Association unless he or she is a primary or secondary member of the Association. The President of the New York State Association of REALTORS® shall be a member at large in good standing of the Association.

ARTICLE VII - PROFESSIONAL STANDARDS, MEDIATION AND ARBITRATION

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended, which by his reference is made a part of

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these Bylaws, provided however that any provision is inconsistent with State law shall be deleted or amended to comply with State law.

Section 2. It shall be the duty and responsibility of every REALTOR[®] and REALTOR ASSOCIATE[®] Members of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the New York State Association of REALTORS[®], 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 or 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.

ARTICLE VIII - USE OF THE TERMS

REALTOR[®], REALTORS[®], AND REALTOR-ASSOCIATE[®]

Section 1. Use of the terms REALTOR[®], REALTORS[®], and REALTOR-ASSOCIATE[®] by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS[®] and to the Rules and Regulations prescribed by its Board of Directors. This 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 member's duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the Associations Code of Ethics and Arbitration Manual.

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

Section 3. A REALTOR[®] Member who is a principal of a real estate firm, partnership, or corporation may use the 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 (c) 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, or 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.** REALTOR-ASSOCIATE® Members of the Association shall have the right to use the term REALTOR-ASSOCIATE® so long as they remain REALTOR-ASSOCIATE® Members in good standing and the REALTOR® Member with whom they are associated as independent contractors or by whom they are employed is also a REALTOR® Member in good standing.
- Section 5.** Institute Affiliate Members shall not use the term REALTOR®, REALTORS®, or REALTOR-ASSOCIATE®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.
- Section 6.** Institutional Members shall not use the term REALTOR®, REALTORS®, or REALTOR-ASSOCIATE®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.
- Section 7.** Affiliate Members shall not use the term REALTOR®, REALTORS®, or REALTOR-ASSOCIATE®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.
- Section 8.** Public Service Members shall not use the term REALTOR®, REALTORS®, or REALTOR-ASSOCIATE®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

- Section 1.** This Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the New York State Association of REALTORS®. By reason of this Association's membership, each REALTOR® and REALTOR-ASSOCIATE® Member of the Member Board/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. This 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.
- Section 2.** This Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR®, REALTORS®, and

REALTOR-ASSOCIATE[®]. This Association shall discontinue use of the terms in any form in its name, upon ceasing to be a member of the NATIONAL ASSOCIATION OF REALTORS[®], or upon a determination by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS[®] that it has violated the conditions imposed upon the terms.

Section 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®] and agrees to enforce the Code among its REALTOR[®] and REALTOR-ASSOCIATE[®] Members. The Association and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the NATIONAL ASSOCIATION OF REALTORS[®] 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 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 this Association upon final approval of the application. The Board of Directors may adopt an application fee for REALTOR-ASSOCIATE[®], Institutional, Affiliate, Secondary REALTOR[®], Secondary REALTOR-ASSOCIATE[®] membership and such other classifications of membership as the Board of Directors may establish from time to time, except for Institute Affiliate membership.

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

- a. Designated REALTOR[®] Members. The annual dues of each Designated REALTOR[®] Member shall be in such amount as established annually by the Board of Directors, plus an amount established by the Board of Directors annually for each 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[®] Members, and
 2. Are not REALTORS[®] or REALTOR-ASSOCIATE[®] Members of any board/association in the state or a state contiguous thereto or Institute Affiliate Members of this Association. In calculating the dues payable to this Association by a Designated REALTOR[®] Member, non-member licensees as defined in Section 2(a) (1 and 2) of this Article shall not be included in the computation of dues if the Designated REALTOR[®] has paid dues based on said non-member licensees in another board/association in the state or a state contiguous thereto,

provided the Designated REALTOR[®] notifies this Association in writing of the identity of the board/association to which dues have been remitted.

3. 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 subsection a) in the office where the Designated REALTOR[®] holds membership, and any other offices of the firm located within the jurisdiction of this Association.
4. For the purpose of this Section, a REALTOR[®] Member of a Member Association shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, or branch office manager, or corporate officer 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.
5. 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[®]. The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities, including listing, selling, leasing, renting, managing, counseling, or appraising real property other than referrals, and dues for the current fiscal year shall be payable.
6. 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.

7. REALTOR[®] and Secondary REALTOR[®] Members. The annual dues of each REALTOR[®] and Secondary REALTOR[®] Member shall be in such amount as established annually by the Board of Directors.
- b. The annual dues of each REALTOR[®] Member other than a principal, partner, or corporate officer shall be in such amount as established annually by the Board of Directors.
1. REALTOR-ASSOCIATE[®] and Secondary REALTOR-ASSOCIATE[®] Members. The annual dues of each REALTOR-ASSOCIATE[®] and Secondary REALTOR-ASSOCIATE[®] Member shall be in such amount as established annually by the Board of Directors.
 2. Institutional Members. The annual dues of each Institutional Member shall be in such amount as established annually by the Board of Directors.
 3. Affiliate Members. The annual dues of each Affiliate Members shall be in such amount as established annually by the Board of Directors.
 4. Public Service Members. The annual dues of each Public Service Member shall be in such amount as established annually by the Board of Directors.
 5. Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors.
 6. Retired Members. Dues payable, if any, shall be at the discretion of the Board of Directors.
 7. REALTOR[®] Emeritus Members. There shall not be dues payable for these members.
 8. President of New York State Association of REALTORS[®]. There shall not be dues payable for this individual unless he or she is a primary or secondary member of the Association.
 9. Association dues of a member who is mobilized full time in military service of the United States of America shall be waived following the date of receipt by the Secretary/Treasurer of a notice, in writing, from either: the member in such member's own behalf or, the REALTOR[®] Member by whom said 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.

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

Section 3. Dues Payable.

Dues for all members shall be payable annually in advance on the first day of January. Dues shall be computed from the first day of the quarter in which a Member's application is received and shall be prorated for the remainder of the year.

Section 4. Nonpayment of Financial Obligations.

If dues, fees, fines or other assessments including amounts owed to the Association are not paid within one (1) month after the due date, the non-paying member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the non-paying member shall be automatically suspended, or terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the non-paying 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 his/her 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 Rules and Regulations of this Association or any of its services, departments, or chapters 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.

Section 5. Deposits and Expenditures.

All moneys received by this Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by the President, Secretary/Treasurer and Chief Executive Officer. The President, Secretary/Treasurer and Chief Executive Officer shall administer the day to day finances of this Association and shall report directly to the Board of Directors. These reports shall include a minimum of four quarterly reports during the course of the fiscal year and one independently audited year-end report. All checks written on the general checking account of the association shall require the signatures of at least two officers.

Section 6. Non-Budgeted Expenditures.

Non-Budgeted Expenditures in excess of reserve funds less any outstanding current obligations may not be made unless authorized by a majority vote of this Associations REALTOR® Members present and eligible to vote. All non-budgeted expenditures in excess of five thousand dollars (\$5,000.00) require the approval of the Board of Directors.

Section 7. Notice of Dues, Fees, Fines, Assessments, and 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. Dues for REALTOR® Emeriti.

The dues of REALTOR® or REALTOR-ASSOCIATE® Members who are REALTOR® Emeriti (as recognized by the NATIONAL ASSOCIATION OF REALTORS®), Past Presidents of the NATIONAL ASSOCIATION OF REALTORS® or recipients of the Distinguished Service Award shall not be required to pay dues.

Section 9. Contracts and Agreements; Related Party Transactions

- a. Unless so authorized by the Executive Committee or Board of Directors, or expressly authorized by these Bylaws, no officer, agent, employee or Member of this Association shall have any power or authority to bind or attempt to bind the Association by any agreement and/or contract with any person, firm, co-sponsorship or organization in any manner or to render it liable pecuniarily in any amount for any purpose. Except as these Bylaws provide otherwise, the Board of Directors or Executive Committee may authorize the President, Secretary-Treasurer and/or Chief Executive Officer, in the name of and on behalf of the Association, to enter into any contract or to execute and deliver any instrument, and such authority may be general or confined to specific instances.
- b. The Board of Directors, or a committee appointed by the Board, shall oversee the adoption, implementation and compliance with a conflict of interest policy. Said policy shall, among other things, provide that the Association shall not enter into a related party contract or other transaction between the Association and one or more of its directors, officers, or key employees, or between the Association and any other entity in which one or more of its directors, officers or key employees are directors or officers, or have a substantial financial interest. A director, officer or key employee who has an interest in a related party transaction shall disclose to the Board or the committee considering the transaction the material facts concerning the interest, and shall not be present or otherwise participate in a Board or committee deliberations concerning the transaction.

Section 10. Expenses.

All expenses in excess of approved budgets are to be reported to the Board of Directors by the Secretary-Treasurer of this Association.

ARTICLE XI – OFFICERS, DIRECTORS and NYSAR DIRECTORS

Section 1. Officers.

The four elected officers of the Association shall be President, President Elect, Secretary-Treasurer, and Vice President of whom at least three shall be members of the current Board of Directors. They shall be elected for terms of one year and shall not succeed themselves in the same position. The Officers shall be elected by the Board of Directors. The Officers of this Association shall be considered Directors, and shall have the right to vote at meetings of the Board of Directors. There shall be a Chief Executive Officer who shall be employed by the Association and considered an ex officio officer of this Association, but shall not have the right to vote.

Section 2. Duties of Officers.

The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors and as defined in these Bylaws and as defined in the Association's Standing Rules.

Section 3. Executive Committee.

- a. The Executive Committee of this Association shall be the elected officers, the immediate past-president, a Presidential advisor and the Chief Executive Officer. The Chief Executive Officer and Presidential Advisor shall not have the right to vote on the Executive Committee.
- b. The duties of the Executive Committee shall be:
 1. To exercise the expressed authority of the Board of Directors between meetings of the Board of Directors.
 2. To serve as part of the Finance Committee of this Association. To review periodically the financial operations of the Association (quarterly at least) to maintain fiscal responsibility.
 3. To develop and encourage future leadership.
 4. To insure that the Bylaws and Standing Rules of the Association are reviewed annually.
 5. The Executive Committee shall have other duties as defined by the Standing Rules of the Association.
- c. The Executive Committee shall not have authority as to the following matters:
 1. The submission to members of any action requiring members' approval-
 2. The filling of vacancies in the Board of Directors or in any committee.

3. The amendment or repeal of the Bylaws or the adoption of new Bylaws.
4. The amendment or repeal any resolution of the Board which by its terms shall not be so amendable or repeal able.

Section 4. Board of Directors.

- a. The governing body of the Association shall be a Board of Directors consisting of the four elected officers, the two immediate Past Presidents, the twelve elected REALTOR[®] directors, the Directors at Large, (the number to be determined as described in Article XI, Section 6, Elections of Directors in these bylaws), the Regional Director(s), Chief Executive Officer and Presidential Advisor. The Chief Executive Officer and Presidential Advisor shall not have the right to vote.
- b. Past Presidents of this Association, active in real estate, in good standing and whose financial obligations to the Association are paid in full have the right to attend Board of Directors meetings. They have the right to receive minutes, financial records and confidential material and have the right to limited debate. Past Presidents cannot make motions and shall not have the right to vote, provided, however, that Past Presidents serving as an elected Director and/or Officer shall be voting members on the Board of Directors.

Section 5. Duties of the Board of Directors.

- a. Administration. 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.
- b. Powers. The Board of Directors shall have the authority to hire a Chief Executive Officer and/or other employees and independent contractors, and they shall prescribe the duties and compensation of said Chief Executive Officer and/or employees and independent contractors, provided, however, that no person who could benefit from a compensation arrangement shall be present or otherwise participate in any Board or committee deliberations concerning the arrangement. They may cause the formation or dissolution of a division or any subsidiary organization. They shall perform the duties prescribed by the Bylaws and Standing Rules 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. Performance of Duties. Each director shall perform all of the duties of a director, including his or her duties as a member of any Association Committee, in good faith and with the same degree of diligence, care and skill, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports and statements, including financial statements and other financial data, presented or prepared by:

1. One or more officers or employees of the Association the director believes to be reliable and competent in the matters presented;
 2. Legal counsel, public accountants or other persons as to matters that the director believes are within that person's professional or expert competence; or
 3. A Board Committee on which the director does not serve, duly designated in accordance with the provision of the Association Bylaws, as to matters within its discretionary authority, provided the director believes the committee merits confidence and the director acts in good faith, and with that degree of care specified above, and after reasonable inquiry when the need is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.
- d. Investments. In dealing with all assets held by the Association for investment, the Board shall exercise the standard of care described above in Section 5(c), and shall consider, among other relevant considerations, the long and short-term needs of the Association in carrying out its purposes, including its present and anticipated financial requirements. The Board may delegate its investment powers to others, provided that those powers are exercised within the ultimate direction of the Board.
- e. Duty to Maintain Board Confidences. Every director has a duty to maintain the confidentiality of all Board actions, including discussions and votes that take place at any Executive Sessions of the Board. Any director violating this confidence may be removed from the Board or otherwise disciplined by the Board.
- f. Attendance. It shall be the duty of a director to attend all meetings of the Board of Directors. Any director absent from three (3) consecutive Board of Directors meetings without an excuse deemed valid by the Board of Directors shall be construed as a resignation from the Board of Directors. The Board of Directors may in its discretion declare a vacancy and proceed to fill the unexpired term of such absent director.

Section 6. Duties of the Chief Executive Officer.

The Chief Executive Officer serves as the general administrative officer of this Association and shall follow the reasonable request of the elected officers of the Association, but shall be responsible only to the Association Board of Directors. The Association Chief Executive Officer shall fulfill the duties and responsibilities of the position as described in the appendices of the Association Bylaws.

- a. The Chief Executive Officer shall be:
1. Responsible for the overall administration and operation of the Association's employees and independent contractors and their respective activities.

2. Responsible for the implementation of new and existing policies and activities adopted by the Board of Directors.
3. Responsible to recommend and participate in formation of new policies and new activities adopted by the Board of Directors.
4. Responsible for the development and implementation of an annual budget and business plan each year with the approval of the Board of Directors.
5. Directly responsible to the Board of Directors and the Executive Committee regarding job performance.
6. Responsible for adherence to the Bylaws, Standing Rules and appendices and all policies established by the Board of Directors.
7. Responsible for maintaining the permanent records and files of the Association with a duplicate set to be given to the Association Attorney for the following:
 - (a) Copies of the Chief Executive Officer contract, annual salary, bonus packages and any additional perks.
 - (b) Copies of the yearly Chief Executive Officer review forms.
 - (c) Copies of the yearly review forms, salaries and bonuses for all employees.
 - (d) Copies of all health insurance paid for all employees.
 - (e) Copies of Pension Plan information for all employees.
 - (f) Copies of any contracts that Association is responsible for, such as the Western New York Real Estate Information Services, LLC Management Contract, etc.

b. **The Chief Executive Officer Review.**

1. The Chief Executive Officer shall be evaluated each year by the Chief Executive Officer Review Committee.
2. The Chief Executive Officer's job description and the position objectives shall be Appendix A of these Bylaws.
3. Appendix A of these Bylaws notwithstanding anything to the contrary, may only be amended by two-thirds (2/3) votes of the total number of voting members of the entire Board of Directors in accordance with the following requirements:
 - (a) A written notice of the meeting at which the amendment(s) are to be considered shall be delivered to every member of the Board of Directors eligible to vote, at least ten (10) days prior to the meeting.

- (b) A concise statement of the substance of such proposed amendment(s) shall be plainly stated with the notice for the meeting.

Section 7. Election and Designation of Directors.

- a. Nominating Committee. At least three (3) months before the annual election of Directors, a Nominating Committee of five (5) REALTOR[®] members shall be appointed by the President with the approval of the Board of Directors.
- b. The Nominating Committee shall notify the membership that it is accepting requests from eligible members requesting to be candidates for the Board of Directors and establish the deadline for submitting such requests.
- c. The Nominating Committee shall present to the membership no later than ten (10) days prior to the election a slate of at least one candidate for each vacancy on the Board of Directors to be filled and the names of the Directors at Large to be appointed. No member of the Nominating Committee shall be eligible to be a candidate for Director.
- d. REALTOR[®] members requesting to be candidates for Association Director shall submit the Association Nomination Form to the Association Nominating Committee by the published deadline. Qualifications to be a candidate for Association Director are as follows:
1. The individual shall be at least eighteen (18) years of age and be a member of the Association or another board or association associated with the NATIONAL ASSOCIATION OF REALTORS[®] for a minimum of three (3) years prior to the date of the election.
 2. The individual shall have served on at least two (2) Association Committees.
- e. Each year the REALTOR[®] Members of this Association shall elect four (4) REALTOR[®] Members.
1. REALTOR[®] Director terms shall be three (3) years.
 2. The four candidates receiving the highest plurality of votes shall be declared the winners. In the event of a tie, the issue shall be decided by lot, whereby such candidates' names shall be placed in a container and the President or presiding officer shall draw the winning name.
- f. Directors at Large. Each year there shall be Director at Large positions on the Association Board of Directors. These positions shall be given to the REALTOR[®] member firms that have ten (10%) percent or more of total REALTOR[®] and REALTOR-ASSOCIATE[®] members in the Association, as of September 1 of the previous calendar year. There shall be no more than one position per member firm that qualify.

1. The Directors at Large shall be the broker/owner or an officer of the said firm, providing he or she is a REALTOR® member.
 2. The term for Directors at Large shall be one (1) year.
 3. The Directors at Large shall have all the rights and privileges, as the elected Directors, including the right to vote and hold office.
 4. Each year the broker/owner of the firms entitled to the Director at Large positions shall designate, who will serve as the Director at Large. Such designation shall occur ten (10) days prior to the annual election meeting, upon receipt of written designation form from the Nominating Committee.
 5. The Directors at Large shall be announced at the election meeting each year with the elected directors.
- g. Regional Director. Notwithstanding any other provision of these Bylaws and Standing Rules of the Association, the current President may, in his or her discretion, appoint one or more REALTOR® Member as a Regional director of this Association's Board of Directors in accordance with the following terms and conditions:
1. A director appointed by the President shall be referred to as a "Regional Director," exclusive of any person appointed to fill a vacancy of a director previously elected by the members of the Association.
 2. At the time of his or her appointment, the Regional Director shall have (a) his or her primary residence located outside of Erie County, and (b) his or her primary membership in an association other than this Association, or be a member of a REALTOR® association or entity with principal offices located outside of Erie County.
 3. The appointment of a Regional Director shall be subject to confirmation by a majority vote of the Board of Directors.
 4. The term of a Regional Director shall be for one (1) year which shall commence at such time as the Board of Directors may determine upon confirmation of such appointment.
 5. A Regional Director shall have all of the privileges, rights, duties and obligations of an elected director of the Association and shall be entitled, not by way of limitation but by example, to attend and participate in all meetings of the Board of Directors, to have one vote, and to be elected as an officer pursuant to the Bylaws and Standing Rules of the Association.
 6. Regional Directors for established Chapters of this Association shall be appointed by the President in accordance with the guidelines of that Chapter which is part of the Appendix of these Bylaws.

- h. The election of directors shall be held at the annual meeting or any special meeting of the members of this Association, which shall take place at a date, time and place specified by the Board of Directors.
 - 1. Votes shall be cast by any eligible member, in person or by proxy, including electronic proxy, which designates the Chair of the Election Committee to act for such member by proxy. Such proxy shall also instruct the Chair of the Election Committee to cast his/her ballot at the annual meeting and election of directors in the name of the candidates designated by the member.
 - 2. Proxy voting shall be allowed beginning one (1) week prior to the annual meeting and election of directors.
 - 3. The Chair of the Election Committee shall cast all proxy votes as directed by each member and tally the results at the annual meeting and election of directors.
 - 4. The method of proxy and/or electronic proxy voting shall be determined by the Board of Directors.
 - 5. The Chair of the Election Committee shall declare voting closed at the annual meeting and election of directors at the published time determined by the Board of Directors.
 - 6. Voting cannot be reopened for members once declared closed.
- i. The President shall appoint an Election Committee of at least three (3) REALTOR[®] Members to conduct and supervise the election of Directors.
- j. A ballot for the election of REALTOR[®] Directors must contain at least three votes, but not more than four, to be considered valid.

Section 8. Election of Officers.

- a. The Nominating Committee shall present a slate of all candidates from the current Board of Directors requesting to be candidates for an office of this Association who have so notified the Nominating Committee in writing at least thirty (30) days prior to the election of officers. The Nominating Committee at their discretion may present one candidate not serving on the current Board of Directors.
- b. The Nominating Committee shall present the slate of all officer candidates and the offices that each candidate seeks, to each voting member of the Board of Directors at least seven (7) days prior to the election of officers. All current directors and officers will automatically be nominated for the office they requested.
- c. The election of officers shall take place at the next Board of Directors meeting after the election of directors, and in no case more than fourteen (14) days after election of directors.
- d. The President shall appoint an Election Committee of at least three (3) persons to count ballots for the officers election meeting.

- e. The Nominating Committee Chairman shall conduct the election meeting each year.
- f. The election procedures for the officers of this Association each year shall be in the following order:
 - 1. The automatic ascension of the current President Elect to President.
 - (a) Election of President Elect
 - (b) Election of Secretary-Treasurer
 - (c) Election of Vice President
- g. Additional nominations (from the current Board of Directors) for officers may be offered from the floor.
 - 1. The Nominating Committee Chairperson will ask three (3) times for nominations from the floor.
 - 2. Nominations from the floor do not require a second.
 - 3. Only current directors and officers are eligible to vote.
 - 4. Nominations will then be declared closed and cannot be opened.
 - 5. An immediate vote will be held. Only directors in attendance at the time of the vote will be counted.
 - 6. Voting cannot be reopened for directors not in attendance at the time of vote.
- h. Notwithstanding any other provision in these Bylaws, officers shall be elected by a majority of the votes cast at a meeting of the Board of Directors, by the directors entitled to vote at an election.
- i. In the event of more than two (2) candidates for each office, a majority vote is still required to elect. After two ballots with no majority candidate, the candidate receiving the least amount of votes shall be dropped. Voting shall continue and this same procedure shall be followed until there are only two remaining candidates. Balloting then shall continue until one of the two candidates receives a majority vote. Should no majority be reached between the two finalists after three ballots, both candidates names shall be placed in a container and the President shall draw the winning name.
- j. In the event there is but one single slate nominated the chair will instruct the Secretary-Treasurer to cast one unanimous ballot with the approval of the directors present.
- k. No person shall serve on the Board of Directors for more than four consecutive years, except in the position of President Elect, President, Past President or Director at Large.
- l. Members of the Nominating Committee shall not be eligible to run for officer of the Association.

Section 9. Vacancies.

- a. Vacancies among officers, except for President Elect, and Directors of this Association shall be filled by appointment of the President and approved by the Board of Directors to fill the vacancy and such appointee shall serve for the unexpired term of the office or director position, as the case may be.
 1. In the event that the President Elect should resign or leave office, there shall be a special election as soon as possible.
- b. Removal of Officers and Directors. In the event that an officer or director is deemed incapable of fulfilling the duties for which he or she was elected, but will not resign from office voluntarily, such officer or director may be removed from office under the following procedure:
 1. A petition requiring removal of an officer or director, signed by not less than one-third (1/3) of the voting membership or a majority of all directors, shall be filed with the President, or if the President is the subject of the petition, with the next ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further services.
 2. Upon receipt of the petition, and not more than twenty (20) 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.
 3. The special meeting shall be noticed to all directors at least seven (7) days prior to the meeting, and shall be conducted by the President of this Association unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer in attendance will conduct the meeting. Provided a quorum is present, a two-thirds (2/3) vote of members present and voting shall be required for removal from office.

Section 10. Election of State Directors, State Delegates and Regional Vice President.

- a. The election of New York State Association of REALTORS® directors and Regional Vice President shall take place each year at a Board of Directors meeting of the Association, prior to the deadline by the NYSAR notification date.
- b. All candidates requesting to be candidates for election for NYSAR director or Regional Vice President shall notify the President and the Chief Executive Officer in accordance with the rules of nomination for Association officers pursuant to the Association's Bylaws and Standing Rules.
- c. All candidates in good standing with the Association will automatically be placed on the ballot. Additional nominations from the floor may be offered. Nominations from the floor do not require a second. Separate nominations and ballots shall be made for the election of NYSAR director and Regional Director, and shall be made in accordance with the procedure set forth in this section.

- d. The election chair will ask three (3) times for nominations from the floor, thereafter, nominations will be declared closed and cannot be reopened.
- e. An immediate vote will be held. Only votes by directors present at the time of the vote will be counted.
- f. Voting cannot be reopened for director(s) not present at time of the vote.
- g. Only current Association directors and officers are eligible to vote.
- h. Association officers and directors must be present to vote in accordance with the Association's Bylaws.
- i. The voting shall be done in a single ballot with each voting member voting for the exact number of candidates to be elected for three (3) year terms, for NYSAR director, and such term for Regional Vice President, as reported or prescribed by the NYSAR each year.
- j. Candidates receiving the highest number of votes shall be elected to the three (3) year term directorships, and Regional Vice President for the term prescribed by the NYSAR, as the case may be
- k. In the event that one or more state directorships are available for election with less than a full three year term, the candidate receiving the next highest number of votes after all three year term directorships are filled, shall receive the shorter term directorship.
- l. In the event of a tie vote for the final directorship or Regional Vice President, a second ballot shall be conducted. The candidate receiving the highest votes shall win. In the event of another tie, a third vote will be conducted, if a tie again, the issue shall be decided by lot whereby both candidates' names shall be placed in a container and the President or presiding officer shall draw the winning name.
- m. Elected NYSAR directors and Regional Vice Presidents shall automatically become NYSAR delegates or Regional Vice President, as the case may be, for the same term they were elected for state director, or Regional Vice President, respectively.
- n. The President shall appoint the additional state delegates and alternate delegates if needed to fill our full representation at the New York Delegate meeting each year.
- o. Vacancies among state directors or Regional Vice President of the Association, not at the time of the annual election of state directors or Regional Vice President, shall be filled by appointment by the President, or at the discretion of the President, a special election shall be conducted as soon as possible.

ARTICLE XII - MEETINGS

Section 1. Annual Meeting of Members.

The annual meeting of the members of this Association shall be held in October of each year, or such other month, at a time, date and place to be designated by the Board of Directors. The annual election of Association directors shall take place at such meeting and consider such other matters as the Association members and/or Board of Directors may determine.

Section 2. Record Date and Agenda at Annual Meeting of Members.

- a. Fixing Record Date. For the purpose of determining the members entitled to vote at any meeting of members or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of any other action by the members, the Board of Directors may fix, in advance, a date as the record date for any such determination of members. Such record date shall not be more than fifty (50) nor less than ten (10) days before the date of such meeting.
- b. Agenda. The order of business at the annual meeting of the Association members shall be as follows:
 1. Call the meeting to order.
 2. Proof of notice of meeting or waiver thereof.
 3. Acceptance of minutes of last annual meeting, or prior special meeting, if applicable.
 4. Reports of Association officers, if any.
 5. Election of directors of the Association.
 6. Transaction of other business.
 7. Adjournment.

Section 3. General Membership Meeting.

- a. General membership meetings and/or special meetings of this Association may be held at a time and date as the President and/or the Board of Directors may determine, or upon the written request of at least twenty (20%) percent of the Association members eligible to vote.
- b. Notice of all general membership meetings and/or special general membership meetings shall be delivered by U.S. Postal Service mail, facsimile or e-mail to all eligible voting members at least ten (10) days prior to the meeting.
- c. The notice of the general membership meeting shall be accompanied by a concise statement of the purpose of meeting and an agenda shall accompany the meeting notice.
- d. The attendance in person or by proxy at an Association membership meeting of a minimum of ten percent (10%) of the REALTOR[®] members in good standing affiliated with the Association, or not less than one hundred (100) REALTOR[®] members in good

standing with the Association, whichever is lesser, shall constitute a quorum for the purpose of conducting any such Association membership meeting.

- e. Except as otherwise provided in these Bylaws or applicable law, voting shall be the same procedure as conducted at the Board of Directors meetings.
- f. Only REALTOR[®] members are eligible to vote at meetings of the Association members.
- g. General membership meetings will be open to all members of the Association.
- h. Minutes of the annual meeting and general membership meetings shall be signed by the or other presiding officer, and distributed to the Board of Directors at the next Board of Directors meeting following the general membership meeting.

Section 4 Voting by Members.

- a. **Election of Directors.** Except as otherwise provided in these Bylaws, directors shall be elected by a plurality of the votes cast at a meeting of members by the members entitled to vote in the election with a quorum present.
- b. **All Other Actions.** Whenever any Association action, other than the election of directors, is to be taken by a vote of the members, it shall, except as otherwise provided by law or these Bylaws, be authorized by a majority of the votes cast of a meeting of members by the members entitled to vote thereon.
- c. **References.** Any reference in these Bylaws to authorize Association action at a meeting of the members by a “majority vote,” or “two-thirds vote” shall require the action to be taken by such proportion of the votes cast at such meeting, provided the affirmative votes cast in favor of any such action shall be at least equal to the quorum. Blank votes or abstentions shall not be counted in the number of votes cast.
- d. **Proxies.** Every member entitled to vote at a meeting of members or to express consent or dissent without a meeting may authorize another person or persons to act for him or her by proxy. Except as otherwise provided in these Bylaws or by applicable law, every proxy must be in writing and signed by the member or his or her attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it, except as otherwise provided by law.
- e. Without limiting the manner in which a member may authorize another person or persons to act for him as proxy pursuant to paragraph (d) of this section, the following shall constitute a valid means by which a member may grant such authority:
 - 1. A member may execute a writing authorizing another person or persons to act for him or her as proxy. Execution may be accomplished by the member or the member’s authorized officer, director, employee or agent signing such writing or causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature or electronic signature.

2. A member may authorize another person or persons to act for the member as proxy by transmitting or authorizing the transmission by electronic mail or other means of electronic transmission together with an electronic signature, as authorized by applicable law, to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission; provided that any such electronic mail or other means of electronic transmission shall either set forth or be submitted with information from which it can be reasonably determined that the electronic mail or other electronic transmission together with an electronic signature, as authorized by applicable law, was authorized by the member. If it is determined that such electronic mail or other electronic transmissions are valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the nature of the information upon which they relied.
 3. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to paragraph (d) of this section may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.
- f. **Action Without Meeting on Written Consent of Members.** Whenever under the Not-For-Profit Corporation Law members are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed, including by e-mail or electronic signature as authorized by applicable law, by all of the members entitled to vote thereon. However, this provision shall not be construed to alter or modify any provision of the certificate of incorporation under which the written consent of less than all of the members is sufficient for Association action.
 - g. The voting members may from time to time, be asked to cast a binding vote on an issue(s). Such issue shall be delivered by U.S. Postal Service mail, facsimile or e-mail to each voting member clearly stating the background and the issue to be voted upon at least ten (10) days prior to the day designated for the vote.
 - h. Except as otherwise provided in these Bylaws, absent a meeting of the members, proxy ballots may be cast by an eligible REALTOR[®] Member beginning one week prior to the designated day for voting. Ballots shall designate the Association Secretary-Treasurer, or any other person selected by the member, to cast the vote of such member, and shall be delivered at the office of this Association. All ballots shall be placed in sealed envelopes, which shall be witnessed and received at the Association office no later than the closing of business, the day of the vote.
 - i. Except as otherwise provided in these Bylaws, or by applicable law, a majority of the ballot votes cast, providing ten percent (10%) of the eligible votes or a minimum of the lesser of one hundred (100) REALTOR[®] Members of the Association were cast, shall be

required to pass such an issue. The Association President or President Elect shall have the authority to call for a ballot vote.

Section 5. Board of Directors Meetings.

- a. The Board of Directors of this Association shall hold a minimum of six (6) meetings each year. Board of Directors meetings will be held on the fourth Wednesday of each month, unless a conflict requires a change of date. Meetings will begin promptly. The President shall select the location and time of the meetings. The President shall also select an alternate date, if other than the fourth Wednesday of the month.
- b. Notice of each annual, regular and special meeting of the Board shall be given to each director not less than five (5) days before the date of such meeting. Each notice of a meeting of the Board shall be in writing or in electronic format, and shall be delivered by the Secretary-Treasurer personally or by U.S. Postal Service mail if in writing, or by electronic mail if in electronic format, and shall be sent to the last known address (whether physical or electronic, as the case may be) of each such director as it appears on the Association's books and records, on any request delivered by such director to the Secretary-Treasurer that notices be mailed or delivered to some other address. Each notice of a meeting of the Board shall state the place, date, and hour of the meeting of the Board of Directors, together with an agenda for such meeting, and if a special meeting the purpose of the meeting and the person(s) at whose direction the meeting is called.
- c. Notice of a meeting of the Board need not be given to any director who submits a signed waiver of notice, whether before or after such meeting, or who attends the meeting without protesting, prior to or at the commencement of such meeting, the lack of notice to him.
- d. The Board of Directors may hold its meetings either within or out of the State of New York, as designated by the Board or in the notice of such meeting (if any).
- e. Directors shall be considered absent, if he or she does not notify the Association prior to missing the Board of Directors meeting.
- f. Special meetings of the Board of Directors may be called by the President or President Elect and/or upon written request of a majority of the Board of Directors or two-thirds (2/3) of the Executive Committee, providing one (1) week notice is given to all Board members by mail/fax/e-mail.
- g. The President may, in his or her discretion, invite any person who is not a member of the Board of Directors to attend and be present at any meeting of the Board of Directors.

Section 6. Action by the Board

- a. Any reference in these Bylaws to Association action to be taken by the Board of Directors shall mean such action at a meeting of the Board of Directors, or upon unanimous consent without a meeting.

- b. Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board of Directors or committee shall be filed with the minutes of the proceedings of the Board of Directors or committee, as the case may be. Written consents from the members of the Board of Directors or of the Association's committees may be in the form of signed writing or via electronic mail with electronic signatures as authorized by applicable law, delivered to the Secretary-Treasurer of the Association, if an action by the Board of Directors, or the Chair of the committee if an action of an Association committee. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board of Directors or committee by means of a conference telephone, video conference or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.
- c. Except as otherwise provided in these Bylaws or by applicable law, the vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the action of the Board of Directors.
- d. As used in these Bylaws, "entire Board of Directors" means the total number of directors entitled to vote which the Association would have if there were no vacancies or absences from the meeting of the Board of Directors, and not just a quorum of directors.
- e. Except upon motion duly adopted by the Board of Directors for a roll call or secret ballot, directors shall regularly vote by voice vote or show of hands at each meeting.

Section 7. Executive Meetings.

- a. Executive Committee meetings shall be held a minimum of four times per year; at a date, time and place to be determined by the President.
- b. Each officer and presidential advisor will be notified by the Association as to the time and location of meetings.
- c. There shall be a written agenda at all meetings delivered by U.S. Postal Service mail, facsimile or e-mail to each member of the Executive Committee prior to the committee meeting.
- d. An officer shall be considered absent, if he or she does not notify the Association prior to missing the Executive meeting.
- e. Absence from three (3) consecutive Executive Committee meetings without an excuse deemed valid by the Executive Committee shall be construed as a resignation.
- f. A quorum at an Executive Committee meeting shall consist of a majority of the voting members to be present for the conduct of committee affairs and taking action by the committee.

- g. Executive Committee meetings shall be closed to everyone except members of the committee, unless invited by the President.
- h. Voting procedures shall be the same as those of Board of Directors meetings.
- i. Special meetings of the Executive Committee may be called by the President or President Elect and/or two-thirds (2/3) of the Executive Committee providing seven (7) days' notice is given to all members by U.S. Postal Service mail, fax or e-mail.

Section 8. Quorum.

A quorum for the transaction of business at a Board of Directors and any committee of the Association meeting shall consist of a majority of the voting members of the Board of Directors or committee, as the case may be.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees.

The Standing Committees of this Association shall be:

Agents' Day
Cultural Diversity/Housing Opportunities
Education
Public Affairs

Section 2. Permanent Committees.

The permanent committees of this Association shall be:

Bylaws	Mediation
Executive	Nominating
Chief Executive Officer Review	Strategic Planning
Grievance	Professional Standards
Membership	

Section 3. Committees.

- a. The President shall each year appoint all Committee Chairs and members with the exception of the Chief Executive Officer Review Committee. All chair appointments are subject to confirmation by the Board of Directors.
- b. The President Elect shall each year appoint all committee Vice Chairs. All vice-chair appointments are subject to confirmation by the Board of Directors.
- c. Special Committees: The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary or appropriate.

- d. Organization: All committees shall be of such size and shall have duties, functions, and powers as assigned by the President or the Board of Directors, except as otherwise provided in these Bylaws, Standing Rules and appendices.
- e. President: The President shall be an ex-officio member of all committees except the Nominating Committee and the Chief Executive Officer Review Committee and shall be notified of their meetings.
- f. The President, with approval of the Board of Directors, may designate any standing committees not mandated by NATIONAL ASSOCIATION OF REALTORS® to be inactive on an annual basis. If necessary, the President, at his or her discretion, with the approval of the Board of Directors, may reactivate a non-mandatory standing committee as needed.
- g. Absence of committee members from three regular meetings within any calendar year, without a prior excuse deemed valid by the Board of Directors shall be construed as resignation. The President may fill any vacancies occurring on any committees, exclusive of the Nominating Committee and the Chief Executive Review Committee.

Section 4. Chief Executive Officer Review Committee.

- a. There shall be an Chief Executive Officer Review Committee each year, consisting of five (5) members.
- b. The members of the Chief Executive Officer Review Committee shall be:
 - 1. The Immediate Past President of the Association shall serve as Chair of the Chief Executive Officer Review Committee. In the event that the immediate Past President is unable to chair this committee, the second most recent Past President will be the Chair, and the third most recent Past President will chair this committee if the second is unable to chair the committee, etc.
 - 2. The President Elect of the Association shall be a member and serve as the Vice Chair of this committee.
 - 3. The Chief Executive Officer shall appoint one member.
 - 4. The President of the Association shall appoint one member.
 - 5. The President of the Western New York Real Estate Information Services, LLC shall serve as a member of this committee, unless the Board of Managers thereof decides to appoint one member instead of the current President.
 - 6. Not more than three members of the current Association Executive/Finance Committee may serve on the Chief Executive Officer Review Committee, including the Immediate Past President and President Elect.

7. The appointments of the Chief Executive Officer Review Committee members shall be made no later than March 1, of each year.
- c. The Chief Executive Officer Review Committee shall be responsible each year for reviewing and rating the Chief Executive Officer in accordance to Appendix A of these Bylaws.
- d. The Chief Executive Officer Review Committee shall submit an annual report and its recommendations to the Executive Committee no later than April 30 of each year.
- e. The annual report and recommendations from the Chief Executive Officer Review Committee shall be in writing, signed by all five (5) members of the Chief Executive Officer Review Committee, and given directly to the Executive Committee for its consideration and action and recommendation to the Association Board of Director.
- f. The Chief Executive Officer Review Committee will be responsible for preparing a report for the Executive Committee about the Chief Executive Officer's performance in relation to the Job Description. They may also recommend whether a change in compensation and/or a bonus is deemed appropriate but not the dollar amount of either item.
- g. After consideration of the Chief Executive Officer Review Committee's report, the Executive Committee, or any special committee established by the President, and as approved by the Board of Directors, shall recommend the amount of any change in compensation, and the amount of any bonus to the Board of Directors. The Board of Directors may adopt such recommendation or decide otherwise, and shall determine the amount of any such compensation and/or bonus for the current or coming year.

Section 5. Strategic Planning Committee.

Strategic Planning Committee shall be responsible for the following:

- a. Shall each year be responsible to present the Annual Business Plan to the Association Board of Directors for their approval.
- b. Shall be responsible for a Strategic Plan for this Association to be presented to the Association Board of Directors for their approval.
- c. Shall be responsible for implementation of the Annual Business Plan each year and the implementation and continuance of a Strategic Plan for this Association.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1. The fiscal, administrative and elective year of this Association shall be January 1 to December 31.

ARTICLE XV - INDEMNIFICATION

Section 1. Third Party Claims. The Association may indemnify any person made, or threatened to be made, a party to an action or proceeding (other than one by or in the right of the Association to procure a judgment in its favor), whether civil or criminal, including an action by or in the right of any other association of any type or kind, domestic or foreign, to any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of the Association served in any capacity at the request of the Association, by reason of the fact that such person, his or her testator or intestate, was a director or officer of the Association, or served upon such other association, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such director or officer acted, in good faith, for a purpose which he or she reasonably believed to be in, or, in the case of service for any other association or any partnership, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interest of the Association and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

Section 2. Claims of the Association. The Association may indemnify any person made, or threatened to be made, a party to an action by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person, his or her testator or intestate, is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of any other association of any type or kind, domestic or foreign, of any partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with the defense or settlement of such action, or in connection with an appeal therein, if such director or officer acted, for a purpose which he or she reasonably believed to be in, or, in the case of service for any other association or any partnership, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interest of the Association, except that no indemnification under this section shall be made in respect of (a) a threatened action, or a pending action which is settled or otherwise disposed of by the person seeking such indemnification without having obtained the consent of the Association, or (b) any claim, issue or matter as to which such person shall have been adjudged to be liable to the Association, unless and only to the extent that the court in which the action was brought, or, if no action was brought, any court of competent jurisdiction, determines upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such portion of the settlement amount and expenses as the court deems proper.

Section 3. Advancement of Expenses. Expenses incurred by a director or officer in connection with any action or proceeding as to which indemnification may be given under Section 1 of this Article may be paid by the Association in advance of the final disposition of such action or proceeding upon (a) the receipt of an undertaking by or on behalf of such

director or officer to repay such advancement in case such director or officer is ultimately found not to be entitled to indemnification as authorized by this Article and (b) approval by the Board of Directors acting by a quorum consisting of Directors who are not parties to such action or proceeding or, if such a quorum is not obtainable, then approval by the voting members of the Association. To the extent permitted by law, the Board of Directors or, if applicable, the voting members of the Association, shall not be required to find that the director or officer has met the applicable standard of conduct provided by law for indemnification in connection with such action or proceeding before the Association makes any advance payment of expenses hereunder.

Section 4. Availability and Interpretation. To the extent permitted under applicable law, the rights of indemnification and to the advancement of expenses provided in this Article (a) shall be available with respect to events occurring prior to the adoption of this Article, (b) shall continue to exist after any rescission or restrictive amendment of this Article with respect to events occurring prior to such rescission or amendment, (c) shall be interpreted on the basis of applicable law in effect at the time of the occurrence of the event or events giving rise to the action or proceeding, and (d) shall be in the nature of contract rights that may be enforced in any court of competent jurisdiction as if the Association and the director or officer for whom such rights are sought were parties to a separate written agreement.

Section 5. Insurance. The Association may purchase and maintain insurance, to the extent permitted by applicable law, to indemnify the Association against any obligation it incurs in connection with the Association's indemnification of any officer or director or to indemnify any officer or director whose indemnification has been authorized by the Association.

Section 6. Extent of Article. Notwithstanding anything to the contrary contained herein, it is the purpose and intent of the provisions of this Article to indemnify and hold harmless, to the maximum extent permitted pursuant to applicable law (including, but not limited to, Sections 721 through 726, inclusive, of the Not-for-Profit Corporation Law (or any similar successor statute)), its officers and directors and those persons requested by the Association to serve as a director or officer of any other association of any type or kind, domestic or foreign, of any partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, for conduct of such persons while serving as an officer or director of the Association, or while serving at the request of the Association as a director or officer of any other association of any type or kind, domestic or foreign, of any partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity.

ARTICLE XVI - RULES & REGULATIONS

Section 1. Rules of Order.

Robert's Rule of Order, latest edition, shall be recognized as the authority governing the meetings of this Association, its members, its Board of Directors and all committees, in all instances wherein its provisions do not conflict with these Bylaws, or as otherwise determined by the Board of Directors.

Section 2. Code of Ethics.

The Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® is adopted as the Code of Ethics of this Association and shall be considered a part of its rules and regulations, and the Code of Ethics and the rules and regulations of the Association shall in the future be deemed to be amended and changed whenever said Code of Ethics is amended or changed by the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Harassment.

Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or Western New York Real Estate Information Services LLC (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 similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the president, and president-elect and/or vice president and one member of the board of directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the president, president-elect or vice president, they may not participate in the proceedings and shall be replaced by the immediate past president or, alternatively, by another member of the board of directors selected by the highest ranking officer not named in the complaint.

NOTE: Suggested procedures for processing complaints of harassment are available online at <http://www.REALTOR.org>, or from the Member Policy Department (Amended (5/08))

ARTICLE XVII - AMENDMENTS

Section 1. Notwithstanding any other provision of these Bylaws, any bylaw adopted by the Board of Directors may be amended or repealed by the members of the Association and, unless otherwise provided in the certificate of incorporation or the bylaws adopted by the members, any bylaw adopted by the members may be amended or repealed by the Board of Directors.

Section 2. Any provision of these Bylaws may be amended by the Board of Directors as follows:

- a. By a majority vote of the Board of Directors at any regular or special meeting at which a quorum is present, if the amendment, including alteration in the territorial jurisdiction of the Association is recommended, approved or required

by the NATIONAL ASSOCIATION OF REALTORS® or the New York State Association of REALTORS® or when and as mandated by Federal or State law.

- b. Except as provided in subsection 2(a) of this Article, the Board of Directors may amend any provision of these Bylaws, upon a vote of two-thirds (2/3) of the entire Board of Directors, provided that: (i) a written notice with a concise statement of the proposed amendment and the reason therefor, shall be delivered to each member of the Board of Directors at least ten (10) days prior to the date of the meeting or action by the Board of Directors; and (ii) a written notice with a concise statement of the amendment and the reason therefor, as adopted by the Board of Directors, shall be delivered to each Member of the Association, qualified to vote pursuant to these Bylaws, providing such Members an opportunity to approve or reject such amendment. The amendment shall become effective, without any further action, upon the passage of ten (10) days after delivery of such notice, unless a majority of the Association Members, qualified to vote, elect to reject such amendment.

Section 3. These Bylaws may be amended at a general membership meeting by a majority of the members present and qualified to vote, including by proxy, at any meeting at which a quorum is present, or these Bylaws may be amended by a ballot vote by a majority vote of the ballots cast as provided in Article XII, Section 4 herein. Notice of all meetings or ballots at which amendments are to be considered shall be delivered by mail via U.S. Postal Service, facsimile or electronic mail to every Association member eligible to vote at least ten (10) days prior to the meeting or ballot. The notice shall be accompanied by a concise statement of such proposed amendment or amendments.

Section 4. Amendments to these Bylaws affecting the admission or qualification of REALTOR®, REALTOR-ASSOCIATE®, and Institute Affiliate Members, the use of the terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE®, 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®.

Section 5. Amendments to these Bylaws shall become effective immediately unless otherwise specified.

Section 6. A question of construction of these Bylaws or of any Standing Rules and Regulations of the Association shall be determined by the Board of Directors and such decision shall control until revised or altered at a membership meeting of the Association.

ARTICLE XVIII - APPENDICES

Section 1. Appendices of the Bylaws may be added, deleted, amended or rescinded by two-thirds (2/3) votes of the total number of the voting members of the Board of Directors of this Association in accordance with the following requirements:

- a. A written notice of the meeting at which the change(s) are to be considered shall be mailed to every member of the Board of Directors, eligible to vote at least ten (10) days prior to meeting.
- b. The substance of such proposed change(s) shall be plainly stated in the call for the meeting.

ARTICLE XIX - 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 New York State Association of REALTORS[®] Inc. or, within its discretion, to any non-profit tax exempt organization.



Appendix A - Section 1
JOB DESCRIPTION - CHIEF EXECUTIVE OFFICER
 (Approved, 2009)

JOB DESCRIPTION - 2009 - (revised 10/15/09)
POSITION: CHIEF EXECUTIVE OFFICER,
BUFFALO NIAGARA ASSOCIATION OF REALTORS®, Inc. (BNAR)

POSITION DESCRIPTION

The Chief Executive Officer serves as the general administrative officer of the Association. He or she is responsible for the overall administration and operation of Association staff and activities, recommends and participates in the formulation of new policies and implements existing policies as adopted by the Board of Directors.

The Chief Executive Officer is further responsible to:

- ✓ Plan, organize, direct and coordinate the staff, programs and activities of the organization to assure that objectives are attained, plans fulfilled, and member needs met.
- ✓ Maintain effective internal and external communication.
- ✓ Achieve economical, productive performance, stimulate forward-looking programming and constructive growth of the Association.

POSITION OBJECTIVES

The Position Objectives are those actions and activities required of the CEO in order to maintain a fiscally sound, well-managed organization. The CEO must obtain a satisfactory rating on these Position Objectives.

1. Financial and Asset Management

Demonstrate sound financial management and accountability. Effectively allocate resources and control costs. Develop the Association's annual budget in concert with the Finance Committee. Upon Board of Director approval, operate the Association within the adopted budget. Safeguard all funds, physical assets and other Association property.

2. Additional Services and Revenue Sources

Seek to develop additional revenue sources for the Association in order to maintain its financial health. Investigate and recommend additional services that increase revenues or lower costs for the Association.

Explore the possibility of adding new/additional membership categories, consistent with NAR policy. Develop a plan for attracting and servicing new membership sectors, or other real estate related revenue sources, such as homeowners or other real estate related groups, including a cost/benefit analysis.

JD-1

Approved By the Association Board of Directors February 22, 2017

3. Development, Organization and Utilization of Staff

Recruit, select, hire, train and motivate the Association's professional staff, including responsibility for all staff promotions, terminations or other employment actions in accordance with its equal opportunity policy, on a legitimate, non-discriminatory basis in compliance with all applicable laws. Develop specific policies, procedures and organizational structure for the day-to-day administration of the Association office. Ensure that appropriate limitations of staff authority are defined and understood with respect to policy, commitment, expenditures and actions affecting personnel.

Define and assign staff duties, establish performance standards, conduct performance reviews, and set salaries within the budget guidelines. Create revised job descriptions, performance evaluation forms, and measurable performance standards for each staff position. Ensure that formal performance evaluations are conducted for each staff position annually. Review and possibly revise staff compensation and benefits packages based on current industry research.

4. Member Data/Input and Strategic Planning

Consider working with an outside consultant to insure that appropriate research such as surveys, focus groups, meetings with member firms, other members and outside constituencies is conducted and utilized in the development of an effective Annual Business Plan for the Association. Conduct research and related projects on subjects deemed of importance to the membership and prepare and publish the results.

Implement policies and procedures which result in effective planning at all levels for Association programs and services and insure that leadership and staff are aware of and support the major goals and initiatives of the Association. Prioritize goals in the Annual Business Plan and ensure they are delegated to staff or volunteer groups through written operational plans. Track the progress of each goal to ensure they are implemented within the timetable prescribed in the Annual Business Plan.

5. Legal Integrity/Risk Management

Successfully manage the Association's programs, products and activities such that any legal liability resulting from BNAR's activities is minimized to the maximum extent possible. Insure that the Association's policy and procedures manuals, bylaws and other operating policies conform to laws, rules and regulations and are kept up-to-date and shared with/understood by all new and existing staff and leadership members. Have appropriate contracts, documents and press releases reviewed by outside counsel. Remain attuned to potentially litigious situations and consult with outside counsel as needed.

Continue to develop programs aimed at reducing member firms' legal liability and other legal/risk reduction programming. Develop a sufficient number of programs and informational pieces during the year which directly reach the majority of member firms.

6. Government Affairs

Oversee the activities of the Public Affairs Director including the Association's legislative, regulatory and member education activities. Review and approve public policy initiatives that favorably impact the business climate for REALTORS®. Oversee RPAC fundraising efforts that allow the Association to meet its lobbying and political action goals. Monitor contacts with key local elected and government officials to advance the interests of REALTORS®. Oversee liaisons with Government Affairs Divisions of NYSAR and NAR.

JD-2

7. Fulfillment of Management Agreement with WNYREIS

Provide effective management and other services to WNYREIS in accordance with the Management Agreement between WNYREIS and BNAR.

8. Leadership Communication

Insure that the Board of Directors and the Executive Committee are kept fully informed on the conditions and operations of BNAR and on all important factors and issues. Attend or assign staff to attend pertinent committee and director meetings as necessary to apprise leadership of current issues, trends and events. Attend State, National Association REALTOR® meetings and other meetings as directed by the Board of Directors and submit a written report to BNAR leadership and staff regarding major NYSAR and NAR issues, decisions and discussions.

9. Outreach to Firms and Members

Conduct an ongoing communication effort with members and firm principals to discuss their business needs and the programs/products offered by BNAR and the WNYREIS. The CEO will personally meet with/visit offices of any selected BNAR members, solicit their feedback regarding Association matters and recommend solutions for improving customer service.

10. Community Involvement

Become active in the greater Buffalo community to further the interests of the REALTOR® and the Association. Become an active member in community interest organizations. Establish alliances, coalitions and joint ventures with other organizations that are beneficial to the REALTOR® Association. Develop and manage programs directed toward specific outside groups and promote positive image campaigns.

Appendix B

BUFFALO NIAGARA ASSOCIATION OF REALTORS®, INC.

CONFLICT OF INTEREST POLICY

1. **Purpose.** The purpose of this Conflict of Interest Policy (the “Policy”) is to ensure that the directors, officers and key employees of BUFFALO NIAGARA ASSOCIATION OF REALTORS®, INC. (the “Association”) act in the best interests of the Association and protect the interests of the Association when the Association is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or key employee of the Association, or might result in a possible prohibited transaction or excess benefit transaction. This Policy is intended to comply with the provisions of the New York State Not-for-Profit Corporation Law, and this Policy shall be interpreted and construed accordingly. This Policy supplements, but does not replace, any applicable state and federal laws governing conflicts of interest applicable to not-for-profit corporations.

2. **Definitions.** As used herein the following terms, with initial capitals, shall have the meanings set forth in this Section 2.

a. “Affiliate” means, with respect to the Association, any entity controlled by, in control of, or under common control with the Association.

b. “Board” means the Board of Directors of the Association, or as authorized by the Association By-Laws, the Executive Committee of the Association.

c. “Committee” means a committee duly established by the Board or the By-Laws of the Association to perform various services for the Association, including but not limited to, implementation and monitoring of this Policy.

d. “Compensation” means all direct and indirect remuneration as well as gifts that in the judgment of the Board, are substantial.

e. “Conflict of Interest” means any Financial Interest of an Interested Person with respect to a transaction or arrangement or a proposed transaction or arrangement in which the Association is a party, potential party, participant or potential participant.

f. “Financial Interest” means a direct or indirect interest (including an interest through a business, investment, or a family member) constituting (i) any legal or beneficial interest in any entity, (ii) any Compensation arrangement with any entity or (iii) any potential investment interest in any entity.

g. “Interested Person” means any director, principal officer, or member of a Committee with powers delegated by the Board or the By-Laws of the Association, who has a direct or indirect Financial Interest.

h. “Key Employee” means any person who is in a position to exercise substantial influence over the affairs of the Association, as described in Section 4958(f)(1)(A) of the Internal Revenue Code.

Approved By the Association Board of Directors February 22, 2017

i. “Related Party” means:

- (i) any director, officer, or Key Employee of the Association or any Affiliate of the Association,
- (ii) any Relative (as defined in this Policy and in Section 102(a)(22) of the New York Not-for-Profit Corporation Law) of any person described in (i) above, or
- (iii) any entity in which any individual described in (i) or (ii) above has 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest greater than five percent (5%).

j. “Related Party Transaction” means any transaction, agreement or arrangement with respect to which the Board or the Committee determines that (i) a Related Party has a Financial Interest and (ii) in which the Association or any Affiliate is a party or participant.

k. “Relative” of an individual means his or her (i) spouse, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren; or (ii) domestic partner as defined in section twenty-nine hundred ninety-four-a of the New York Public Health Law.

3. **Procedures for Related Party Transactions.** The provisions of this Section 3 shall apply to any Related Party Transaction.

a. **Duty to Disclose.** Any officer, director or Key Employee of the Association who has an interest in a proposed transaction or arrangement that could reasonably be considered a Related Party Transaction must disclose all material facts relating to such person’s interest in proposed transaction or arrangement to the Board, or upon designation by the Board, to the Committee.

b. **Determining Whether the Transaction or Arrangement Constitutes a Related Party Transaction.** The Board, or upon designation by the Board, the Committee, shall determine whether a proposed transaction or arrangement constitutes a Related Party Transaction, after consideration of all material facts disclosed by the Related Party. The Related Party shall not participate in any way in the determination by Board or the Committee, as the case may be, in the determination whether the proposed transaction or arrangement is a Related Party Transaction. If the Board or the Committee determines that the proposed transaction or arrangement does not constitute a Related Party Transaction, but presents a potential Conflict of Interest, the Board or the Committee of the Board considering the proposed transaction or arrangement shall follow Section 4 of this Policy.

c. **Procedures for Consideration of Related Party Transaction.** If the Board or the Committee determines that the proposed transaction or arrangement constitutes a Related Party Transaction:

- (i) The Related Party may not be present at or participate in Board or Committee deliberations regarding such Related Party Transaction, and shall not be entitled to vote thereon.

- (ii) The Related Party shall in no manner attempt to influence the deliberation or voting on the Related Party Transaction.
- (iii) The President of the Board or the Chair of the Committee considering the proposed Related Party Transaction, as the case may be, shall consider alternatives to the proposed transaction or arrangement; and shall after exercising due diligence, determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a Related Party Transaction.
- (iv) The Association shall not enter into any Related Party Transaction absent a majority vote of the entire Board, affirmatively finding that the Related Party Transaction is fair, reasonable and in the Association's best interest.
- (v) The minutes of any meeting of the Board or the Committee considering the proposed Related Party Transaction, and at which a Related Party Transaction is approved shall include:
 - (A) The names of all Related Parties, a description of the proposed transaction or arrangement, any action taken to determine whether the proposed transaction or arrangement constituted a Related Party Transaction, and the Board's or the Committee's decision whether the proposed transaction or arrangement was, in fact, a Related Party Transaction; and
 - (B) If the Board or the Committee determines that the proposed transaction or arrangement was a Related Party Transaction, the resolution of the proposed Related Party Transaction by the Board (or Committee of the Board considering the proposed Related Party Transaction), including: (1) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, (2) the substance of the discussion, including the alternatives to the proposed transaction or arrangement, and (3) a record of the votes taken in connection with the approval of such transaction. In any case in which the Board approves a Related Party Transaction based on the report and recommendation of a Committee of the Board, the Board minutes shall include a summary of such Committee's report containing items (1), (2) and (3) above.

4. **Procedures Relating to Conflicts Other Than Related Party Transactions.** The provisions of this Section 4 shall apply to arrangements and transactions that constitute a Conflict of Interest but does not involve a Related Party Transaction.

a. **Duty to Disclose.** In connection with any actual or possible Conflict of Interest that does not constitute a Related Party Transaction, an Interested Person must disclose the existence of the Financial Interest to (i) any Committee that is considering a transaction that may involve the

Interested Person and a possible Conflict of Interest, (ii) if there is no such Committee, the full Board, or (iii) to any Committee of the Board directed to act upon any matter in which such Interested Person has such Financial Interest. Such Interested Person shall be given the opportunity to disclose all material facts to the Board, or to the appropriate Committees of the Board considering the proposed transaction or arrangement.

b. Determining Whether a Conflict of Interest Exists. If, after disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person regarding such material facts, the Board, the Committee, or the Committee of the Board directed to act upon such matter, shall determine whether a Conflict of Interest exists. The Interested Person shall be excused from the Board or Committee meeting while the determination of a Conflict of Interest is discussed and voted upon. The remaining Board or Committee members shall decide if a Conflict of Interest exists.

5. Procedures for Addressing the Conflict of Interest. If the Board or an appropriate Committee determines that the proposed transaction or arrangement presents a Conflict of Interest, but is not a Related Party Transaction:

a. The Interested Person may not be present at or participate in Board or Committee deliberations regarding the transaction or arrangement and shall not be entitled to vote thereon.

b. The Interested Person shall in no manner attempt to influence the deliberation or voting on the matter giving rise to the Conflict of Interest.

c. After exercising due diligence, the Board or appropriate Committee shall determine whether the proposed transaction or arrangement is in the best interests of the Association, notwithstanding the Conflict of Interest.

d. The minutes of the Board and all Committees at which a transaction or arrangement is approved, notwithstanding the existence of a Conflict of Interest, shall contain:

- (i) The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible Conflict of Interest, the nature of the Financial Interest, any action taken to determine whether a Conflict of Interest was present, and the Board's or Committee's decision as to whether a Conflict of Interest in fact existed; and
- (ii) If the Board or the appropriate Committee determined that a Conflict of Interest existed, the resolution of the Conflict of Interest, including (A) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, (B) the substance of the discussions, including any alternatives to the proposed transaction or arrangement, and (C) a record of any votes taken in connection with the proceedings.

6. Annual Statements.

a. Each director, prior to assuming his or her responsibilities for the Association, and annually thereafter, shall sign and submit to the Secretary of the Association, a statement or statements which identifies, to the best of such director's knowledge (i) any entity of which such director is currently an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or an employee and (ii) with which the Association has a relationship, and any transaction in which the Association is a party or a participant and (iii) in which such director might have a conflicting interest. The duty of each director shall be ongoing and, therefore, the director shall be responsible to amend the statement provided immediately upon a change of circumstances which must be disclosed pursuant to this paragraph.

b. All directors shall receive copies of statements provided pursuant to paragraph a, or otherwise be advised of any disclosures from other directors pursuant to paragraph 6(a).

c. Each director, principal officer and member of a Committee with Board delegated powers shall, prior to assuming his or her responsibilities for the Association, and thereafter, annually sign and submit to the Secretary of the Association, a statement or statements which (i) affirms such person has received a copy of this Policy, (ii) has read and understands the Policy, (iii) agrees to comply with the Policy, and (iv) understands that the Association is tax exempt and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

7. Compensation.

a. A voting member of the Board who receives Compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's Compensation.

b. A voting member of any Committee whose jurisdiction includes Compensation matters and who receives Compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's Compensation.

c. A non-voting member of the Board or any Committee whose jurisdiction includes Compensation matters and who receives Compensation, directly, or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any Committee regarding Compensation.

8. Periodic Reviews. The Board, or a Committee of the Board shall conduct periodic reviews of this Policy to ensure the Association operates in a manner consistent with Association purposes, does not engage in activities that could jeopardize its tax-exempt status, and that it complies with the relevant provisions of the New York Not-for-Profit Corporation Law. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether Compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further Association purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

9. **Use of Outside Experts.** When conducting the periodic reviews as provided for in Section 8, the Association may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

BUFFALO NIAGARA ASSOCIATION OF REALTORS®, INC.
ANNUAL CONFLICT OF INTEREST STATEMENT

TO: The Secretary of BUFFALO NIAGARA BOARD OF REALTORS®, INC.
FROM: _____ (Print Name)
DATE: _____

Pursuant to Section 5 of the Conflict of Interest Policy of BUFFALO NIAGARA ASSOCIATION OF REALTORS®, INC., the undersigned hereby certify:

1. Disclosure of Potential Conflicts: To the best of my knowledge, the following is a full and complete list of all entities in which:

- a. I am an officer, director, trustee, member, owner (either as a sole proprietor or a partner) or an employee;
- b. with which I am aware that BUFFALO NIAGARA ASSOCIATION OF REALTORS®, INC. has a relationship;

AND

in which I might have a Conflict of Interest (list all entities that satisfy (a) and (b)), or initial here _____, if NONE. Add additional sheets if necessary):

2. Acknowledgement of Conflict of Interest Policy. By signing this Statement, I hereby certify that (a) I have received a copy of the Conflict of Interest Policy, (b) I have read and understand the Policy, (c) I agree to comply with the Policy, and (d) I understand that BUFFALO NIAGARA ASSOCIATION OF REALTORS®, INC. is a tax exempt entity, and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signature

Appendix C

BUFFALO NIAGARA ASSOCIATION OF REALTORS®, INC.

WHISTLEBLOWER POLICY

1. Purpose. Buffalo Niagara Association of Realtors®, Inc. (the “Association”) requires its members, director, officers, regional director, regional officers, employees and volunteers (the “Personnel”) to observe high standards of business and personal ethics in the conduct of their duties and responsibilities, and all its Personnel to comply with all applicable laws and regulatory requirements. A copy of this Whistleblower Policy shall be provided to all Personnel who provide substantial services to the Association.

2. Reporting Responsibility. It is the responsibility of all Personnel to report ethics violations or suspected violations in accordance with this Whistleblower Policy. The Association encourages its Personnel to share their questions, concerns, suggestions or complaints regarding the organization and its operations with someone who can address them properly. In most cases, a member, director, officer, regional director, regional officer, employee or volunteer should present his or her concerns to the President or Chief Executive Officer (CEO). However, if such individual is not comfortable speaking with the President/CEO, or is not comfortable with the President/CEO’s response, such individual is encouraged to speak with any member of the Executive Committee of the Association, or the Association legal counsel.

3. No Retaliation. No Personnel of the Association who in good faith reports any action or suspected action taken by or within the Association that is illegal, fraudulent or in violation of any adopted policy of the Association shall suffer intimidation, harassment, discrimination or other retaliation or, in the case of an employee, an adverse employment consequence. This Whistleblower Policy is intended to encourage all Personnel and others to raise serious concerns within the Association prior to seeking resolution outside the Association.

4. Compliance Officer. The CEO of the Association or his or her designee shall serve as the officer responsible for ensuring compliance with this Whistleblower Policy (the “Compliance Officer”). The Compliance Officer shall be responsible for investigating and resolving all complaints and allegations concerning violations of this policy. If the complaint involves both the President and the CEO and any member of the Executive Committee, the Association legal counsel will carry out the function of the Compliance Officer. The Compliance Officer shall report all complaints and allegations to the Executive Committee.

5. Accounting and Auditing Matters. The Executive Committee shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the Executive Committee of any such complaint and work with the Executive Committee until such matter is resolved.

6. Requirement of Good Faith. Anyone filing a complaint concerning a violation or suspected violation of the law or regulation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

7. Confidentiality. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports or violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

8. Handling of Reported Violations. The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five (5) business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.