

Bylaws

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1 **ARTICLE I**

2

3 **Name**

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5 The name of this organization is the Appraisal Institute.

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10 **Purposes and Limitations**

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12 **Part A: Purposes**

13 The Appraisal Institute is an Illinois not for profit corporation organized under the Illinois General Not
14 For Profit Corporation Act of 1986, as amended, (the "Act") for general education, research and
15 professional association purposes relating to appraisal services. The objectives of the Appraisal
16 Institute are to serve the general public; to establish, maintain and publicize minimum requirements
17 for membership and confer appropriate membership designations to properly qualified appraisers; to
18 formulate and maintain a Code of Professional Ethics and Standards of Professional Appraisal
19 Practice for the real estate appraisal profession and enforce that Code and Standards on and for
20 Members of the Appraisal Institute; to identify the body of knowledge in which the appraisal
21 profession operates; to establish, maintain and publicize educational standards and the means for
22 education for its Members and others interested in the appraisal and real estate professions; to
23 promote research and publication of materials that further the education and professional needs of
24 the appraisal and real estate professions; to establish and maintain effective liaison with
25 governmental agencies concerned with appraising and represent itself in legislative and regulatory
26 matters concerning the appraisal and real estate professions; to provide and maintain an effective
27 and responsive organization and staff that serves the needs of Members; to conduct meetings,
28 conferences, seminars, educational courses and other activities that further the objectives of the
29 Appraisal Institute; and to cooperate with other organizations on issues of mutual concern such as
30 legislative and regulatory matters, education and research activities.

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33 **Part B: Powers**

34 Consistent with the purposes set forth in Part A above, the Appraisal Institute may exercise all powers
35 available to corporations organized under the Act.

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38 **Part C: Limitations Upon Powers and Activities**

39 Notwithstanding any other provisions of these Bylaws to the contrary, the Appraisal Institute shall not,
40 except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are
41 not in furtherance of the purposes of the Appraisal Institute. Further, the Appraisal Institute shall not
42 carry on any activities not permitted to be carried on: (1) by a corporation exempt from Federal
43 income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding
44 provision of any future United States Internal Revenue Law); or (2) pursuant to the Act.

45
46 The property, assets, profits and net income of the Appraisal Institute are dedicated irrevocably to the
47 purposes set forth in Part A above. No part of the net earnings of the Appraisal Institute shall inure to
48 the benefit of or be distributable to its Members, Directors, Officers or other private persons, except
49 the Appraisal Institute shall be authorized and empowered to pay reasonable compensation for
50 services rendered and to make payments and distributions in furtherance of the purposes set forth in
51 Part A above.

53 **ARTICLE III**

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55 **Offices**

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57 The Appraisal Institute shall have and continuously maintain in Illinois a principal office and may have
58 other subordinate offices at any place or places within or without the state as the Board of Directors
59 may from time to time establish.

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64 Membership Meetings

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66 There shall be an annual meeting of the membership of the Appraisal Institute on or before June 30
67 of each year.

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69 Special meetings of the membership of the Appraisal Institute shall be held if authorized by: (1) the
70 President; or (2) a written petition signed by at least one-third (1/3) of the members of the Board of
71 Directors. Such petition may be in electronic form.

72

73 Notice of any meeting of the membership shall be delivered in writing to Members at least forty-five
74 (45) days in advance of the meeting and shall specify the time, date, purpose and location of the
75 meeting.

76

77 Those Designated Members in good standing in attendance at any meeting of the membership shall
78 constitute a quorum for the transaction of business at such meeting. Except as provided otherwise by
79 these Bylaws or the Regulations of the Appraisal Institute, the vote of a majority of Designated
80 Members in good standing present and voting at a duly held quorum meeting shall be regarded as
81 the act of the Members.

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87 Membership Categories, Statuses and 88 International Members

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90 Part A: Membership Categories

91 The Appraisal Institute shall have four (4) categories of Members: Designated Members, Associate
92 Members, Affiliate Members, and Honorary Members.

93

94 Section 1. Designated Member

95 A Designated Member in good standing is an individual who: (a) holds an Appraisal Institute
96 designation; and (b) is not suspended from membership.

97

98 The Board of Directors shall adopt and maintain Regulations establishing the requirements for:
99 (a) conferring the MAI and SRA designations; (b) retention of the membership designations; (c)
100 admitting and readmitting individuals to membership in the Appraisal Institute; and (d) continuing
101 education for Designated Members of the Appraisal Institute.

102

103 Section 2. Associate Member

104 An Associate Member in good standing is an individual who: (a) Either (1) engages in or has engaged
105 in business activity identified by the Standards of Professional Appraisal Practice; or (2) is seeking an
106 appraiser trainee license or equivalent license and has not completed the education required for an
107 appraiser trainee or equivalent license in the jurisdiction in which the individual is pursuing such
108 license; (b) holds Associate Member status with the Appraisal Institute; (c) is not suspended from
109 membership; (d) is not the subject of a disciplinary proceeding as defined in the Regulations of the
110 Appraisal Institute; and (e) is not the subject of a peer review proceeding where the Associate
111 Member has been sent an offer of a publishable disciplinary action as set forth in the Regulations of
112 the Appraisal Institute.

113

114 An individual may qualify for Associate Member status under the criteria identified in (a)(2) above for
115 a maximum of two (2) years.

116

117 Section 3. Affiliate Member

118 An Affiliate Member in good standing is an individual who: (a) holds Affiliate Member status with the
119 Appraisal Institute; (b) is interested in property economics; (c) is not suspended from membership;
120 and (d) does not engage in business activity identified in the Standards of Professional Appraisal
121 Practice. Affiliate members may include individuals such as, by way of example only, university
122 faculty, students, brokers, developers, lawyers, accountants, financial planners, researchers, and
123 investors.

124

125 Section 4. Honorary Member.

126 An Honorary Member is an individual who, in the opinion of the Board of Directors, has made a
127 significant contribution to the appraisal profession. An Honorary Member does not engage in
128 business activity identified by the Standards of Professional Appraisal Practice.

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Part B: Membership Statuses

Designated Members and Associate Members shall hold the status of Practicing Member or Non-Practicing Member.

Section 1. Practicing Member

A Practicing Member is a Designated Member in good standing or an Associate Member in good standing who engages in business activity identified by the Standards of Professional Appraisal Practice. Some Practicing Members may also hold the status of Past President Member, Life Member, or Semi-Retired Member.

a) Practicing Past President Member

A Practicing Past President Member is a Designated Member in good standing who served as President of the Society of Real Estate Appraisers prior to 1991 or as President of the American Institute of Real Estate Appraisers prior to 1991 or as President of the Appraisal Institute since 1991.

b) Practicing Life Member

A Practicing Life Member is a Designated Member in good standing or an Associate Member in good standing who has held membership in the Appraisal Institute or its predecessor organizations continuously for at least 40 years and is current in the payment of full membership dues as an Active Designated Member, Associate Member, Candidate Member, or Candidate during those years.

c) Practicing Semi-Retired Member

A Practicing Semi-Retired Member is a Designated Member in good standing or an Associate Member in good standing who is at least sixty (60) years of age and earns no more than a certain dollar amount in each calendar year from business activity that is identified in the Standards of Professional Appraisal Practice. The Board of Directors shall establish such dollar amount from time to time.

Section 2. Non-Practicing Member

A Non-Practicing Member is a Designated Member in good standing or an Associate Member in good standing who is not engaged in business activity identified by the Standards of Professional Appraisal Practice. Some Non-Practicing Members may also hold the status of Temporarily Non-Practicing Member, Retired Member, Past President Member, or Life Member.

a) Temporarily Non-Practicing Member.

A Temporarily Non-Practicing Member is a Designated Member in good standing or an Associate Member in good standing who is temporarily unavailable for employment in any business activity that is identified by the Standards of Professional Appraisal Practice due to:

- (i) poor health or physical disability;
- (ii) family obligation or responsibility;
- (iii) military service; or
- (iv) other good cause shown.

b) Non-Practicing Retired Member

178 A Non-Practicing Retired Member is a Designated Member in good standing or an Associate
179 Member in good standing who is at least sixty (60) years of age and who does not engage in
180 business activity identified by the Standards of Professional Appraisal Practice.

181

182 **c) Non-Practicing Past President Member**

183 A Non-Practicing Past President Member is a Designated Member in good standing who served
184 as President of the Society of Real Estate Appraisers prior to 1991, or as President of the
185 American Institute of Real Estate Appraisers prior to 1991, or as President of the Appraisal
186 Institute since 1991. Non-Practicing Past President Members shall enjoy all the rights and
187 privileges of Practicing Members.

188

189 **d) Non-Practicing Life Member**

190 A Non-Practicing Life Member is a Designated Member in good standing or an Associate Member
191 in good standing who has held membership in the Appraisal Institute or its predecessor
192 organizations continuously for at least 40 years and is current in the payment of full membership
193 dues as a Designated Member, Associate Member, Candidate Member, or Candidate during
194 those years.

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197 **Part C: International Members**

198 An International Member is a member whose principal place of business and residence falls outside
199 the United States, United States Territories and Canada.

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203 Membership Rights and Obligations

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205 **Part A: Responsibilities of Members**

206 Each Member of the Appraisal Institute shall abide by, uphold, and conform his or her actions to the
207 Bylaws, Regulations, Code of Professional Ethics, and Standards of Professional Appraisal Practice
208 of the Appraisal Institute as each may be amended from time to time. Each Member shall also abide
209 by, uphold, and conform his or her actions to such policies and procedures as the Board of Directors
210 or duly authorized bodies or individuals of the Appraisal Institute may promulgate from time to time.

211

212 Each Member shall cooperate with the Appraisal Institute and its duly authorized bodies and
213 individuals including, but not limited to, national and chapter Boards of Directors, national and chapter
214 officers, national and chapter committees, and Regional Committees in all matters relating to the
215 official activities of the Appraisal Institute.

216

217 Each Member shall irrevocably waive any claims or rights of action at law or equity that the Member
218 may have at any time against the Appraisal Institute, its Board of Directors, or its duly authorized
219 bodies and individuals, either as a group or as individuals, for any act in connection with the business
220 of the Appraisal Institute. The Board of Directors may require all Members to execute and deliver to
221 the Appraisal Institute a written waiver of claim in connection with any application or request made by
222 such Member and directed to the Appraisal Institute or its duly authorized bodies or individuals.

223

224 Any certificate, emblem or other indicia of membership in the Appraisal Institute which may be issued
225 to any Member, and any designation that is conferred on any Member by the Appraisal Institute, shall
226 be used in accordance with these Bylaws and the Regulations of the Appraisal Institute, shall at all
227 times remain the property of the Appraisal Institute, held by the Member in trust, and shall be returned
228 to the Appraisal Institute upon written demand by the Chief Executive Officer or other designated
229 individual, if for any reason an individual's membership in the Appraisal Institute is suspended or
230 terminated.

231

232 No Member shall be entitled to bring or otherwise pursue legal action in the name or on behalf of the
233 Appraisal Institute.

234

235 No Member shall be permitted to transfer or assign his or her membership in the Appraisal Institute or
236 the rights, privileges and obligations attendant thereto.

237

238 Each Member, except Honorary Members, shall belong to a Chapter of the Appraisal Institute.

239

240 The Board of Directors shall adopt and maintain Regulations further establishing the rights and
241 obligations of Members.

242

243

244 **Part B: Voting Rights**

245 **Section 1. Designated Members**

246 Designated Members in good standing, except Temporarily Non-Practicing Members, shall be entitled
247 to vote on: (a) the disposition of all or substantially all of the assets of the Appraisal Institute; (b) any
248 merger or consolidation and the substantial terms, and any substantial amendment of the terms, of
249 any such transaction; (c) any dissolution of the Appraisal Institute; and (d) any amendment,
250 restatement or repeal of the Articles of Incorporation, with all such votes requiring a sixty percent
251 (60%) majority of those Designated Members in good standing present and voting for approval.

252
253 Designated Members in good standing, except Temporarily Non-Practicing Members, shall have one
254 (1) vote and shall be entitled to attend membership meetings and vote by proxy.

255
256 **Section 2. Associate Members**

257 Associate Members in good standing shall have the right to vote at the chapter level, except in
258 matters concerning admissions and education where examination security is impacted. Associate
259 Members in good standing may vote at the regional and national level where specifically permitted by
260 the Bylaws and Regulations of the Appraisal Institute.

261
262 **Section 3. Affiliate Members**

263 Affiliate Members in good standing shall have the right to vote at the chapter level except in matters
264 concerning admissions and education, where examination security is impacted. Affiliate Members in
265 good standing may vote at the regional and national level where specifically permitted by the Bylaws
266 and Regulations of the Appraisal Institute.

267
268 **Section 4. Honorary Members**

269 Honorary Members shall not have voting rights at the national, regional, or chapter levels.

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271

272 **Part C: Office Holding and Service**

273 **Section 1. Designated Members**

274 Designated Members in good standing, except Temporarily Non-Practicing Designated Members,
275 shall be allowed to hold national and chapter offices and serve on national, regional, and chapter
276 boards, committees, panels, project teams, and other bodies, subject to the requirements of these
277 Bylaws and the Regulations and policies of the Appraisal Institute.

278

279 **Section 2. Associate Members**

280 Subject to the requirements of these Bylaws and the Regulations and policies of the Appraisal
281 Institute, Associate Members in good standing, except Temporarily Non-Practicing Associate
282 Members, may:

283

284 (a) Serve on the national Board of Directors, national committees, panels, and project teams and
285 Regional Committees in positions open to Associate Members; and

286

287 (b) Hold chapter offices other than President, serve on their chapter board of directors and serve
288 on chapter committees, except for admissions and education where examination security is
289 impacted.

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Section 3. Affiliate Members

Affiliate members are not eligible to hold national, regional, or chapter offices, but those affiliate members in good standing may serve on national, regional, and chapter committees, panels, project teams and other bodies as permitted in the Bylaws, Regulations and policies of the Appraisal Institute.

Section 4. Honorary Members.

Honorary Members are not eligible to hold national, regional, or chapter offices, or serve on national, regional, or chapter boards, committees, panels, project teams or other bodies.

Part D: Other Rights, Privileges and Obligations

Section 1. Designated Members

The Board of Directors shall adopt and maintain Regulations governing the use by Designated Members of the: (a) Appraisal Institute logo; and (b) the designations conferred upon Members of the Appraisal Institute. Designated Members shall have such other rights, privileges, and obligations as set forth in these Bylaws and the Regulations and policies of the Appraisal Institute.

Section 2. Associate Members

Associate Members only may refer to their Associate Membership and their association with the Appraisal Institute as provided in the Regulations and policies of the Appraisal Institute. Associate Members shall have such other rights, privileges, and obligations as set forth in these Bylaws and the Regulations and policies of the Appraisal Institute.

Section 3. Affiliate Members

Affiliate Members only may refer to their Affiliate Membership and their affiliation with the Appraisal Institute as provided in the Regulations and policies of the Appraisal Institute. Affiliate Members shall have such other rights, privileges, and obligations as set forth in these Bylaws and the Regulations and policies of the Appraisal Institute.

Section 4. Honorary Members.

Honorary Members only may refer to their Honorary Membership and their affiliation with the Appraisal Institute as provided in the Regulations and policies of the Appraisal Institute. Honorary Members shall have such other rights, privileges, and obligations as set forth in these Bylaws and the Regulations and policies of the Appraisal Institute.

Part E: Resignation

No Member shall be permitted to resign from the Appraisal Institute unless and until such Member has given the Chief Executive Officer formal written notice of his or her desire to resign accompanied by any indicia of membership issued to such Member and such resignation has been accepted by the Chief Executive Officer. If the resigning Member is the subject of the disciplinary action of suspension, a pending disciplinary proceeding, or a pending peer review proceeding in which the Member has been sent an offer of disciplinary action, the Appraisal Institute shall publish such resignation in a manner it deems appropriate. A Member who is the subject of any pending peer

336 review proceeding and who resigns authorizes, but does not obligate the Appraisal Institute to
337 complete any such peer review proceedings.
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ARTICLE VII

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Disciplinary Actions

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The Board of Directors shall adopt a Code of Professional Ethics and Standards of Professional Appraisal Practice, which in addition to these Bylaws and the Regulations of the Appraisal Institute shall govern the conduct of all Members of the Appraisal Institute. The Board of Directors shall adopt and maintain Regulations with respect to the enforcement of the Code of Professional Ethics and the Standards of Professional Appraisal Practice. Such Regulations shall establish the causes, procedures and forms of remedial and disciplinary actions of the Appraisal Institute with regard to the conduct of Members. Such forms of remedial and disciplinary actions may include suspension or expulsion from membership in the Appraisal Institute.

356

357 **Dues, Fees and Assessments**

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359 **Part A: Membership Dues for Designated Members, Associate Members** 360 **and Affiliate Members**

361 The Board of Directors shall set from time to time annual national membership dues and late fees
362 payable by Members of the Appraisal Institute except Practicing Past President Members, Non-
363 Practicing Past President Members, Honorary Members, Non-Practicing Retired Members, Non-
364 Practicing Life Members, and Temporarily Non-Practicing Members.

365

366 Membership dues shall be due and payable on January 1 of each year. Late fees shall be charged to
367 all Members who have not paid their membership dues by April 1 of each year. Any Member who fails
368 to pay membership dues and late fees by June 1 of any year shall automatically be suspended from
369 all rights and privileges of membership and shall return all indicia of membership to the Chief
370 Executive Officer. If the suspended Member pays the delinquent membership dues and late fees by
371 September 1, all indicia of membership shall be returned and the rights and privileges of membership
372 shall be restored.

373

374 If membership dues and late fees have not been paid by September 1, the individual's membership
375 shall automatically terminate. The Appraisal Institute shall publish notice of such termination in a
376 manner it deems appropriate if, at the date of termination, the Member is the subject of the
377 disciplinary action of suspension, a pending disciplinary proceeding, or a pending peer review
378 proceeding in which the Member has been sent an offer of disciplinary action. A Member who fails to
379 pay dues and late fees by September 1 authorizes but does not obligate the Appraisal Institute to
380 complete any peer review proceedings.

381

382 The membership dues of a new Member shall be prorated monthly. The dues of Members joining
383 after November 1 shall be credited to the following fiscal year.

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386 **Part B: Administrative Fee for Temporarily-Non Practicing Members,** 387 **Non-Practicing Life Members, and Non-Practicing Retired Members**

388 Temporarily Non-Practicing Members, Non-Practicing Life Members and Non-Practicing Retired
389 Members shall not be assessed national, regional or chapter membership dues; however, they shall
390 pay an annual national administrative fee, and when appropriate, a late fee, as set by the Board of
391 Directors. The administrative fee shall be due and payable on January 1 of each year. Temporarily
392 Non-Practicing Members, Non-Practicing Life Members and Non-Practicing Retired Members can
393 also be assessed a chapter administrative fee.

394

395 Non-Practicing Retired Members who do not pay the administrative fee shall cease to receive any
396 services provided to such members.

397

398 Temporarily Non-Practicing Members who have not paid their administrative fee by April 1 of each
399 year shall be assessed late fees. Any Temporarily Non-Practicing Member who fails to pay the

400 administrative fee and late fees by June 1 of any year shall automatically be suspended from all rights
401 and privileges of membership and shall return all indicia of membership to the Chief Executive
402 Officer. If the suspended Temporarily Non-Practicing Member pays the delinquent administrative fee
403 and late fees by September 1, all indicia of membership shall be returned and the rights and
404 privileges of membership shall be restored. If the administrative fee and late fees have not been paid
405 by September 1, the individual's membership shall automatically terminate. The Appraisal Institute
406 shall publish notice of such termination in a manner it deems appropriate if, at the date of termination,
407 the Temporarily Non-Practicing Member is the subject of the disciplinary action of suspension, a
408 pending disciplinary proceeding, or a pending peer review proceeding in which the member has been
409 sent an offer of disciplinary action. A Temporarily Non-Practicing Member who fails to pay the
410 administrative fee and late fees by September 1, authorizes, but does not obligate the Appraisal
411 Institute to complete any peer review proceedings.

412

413 The administrative fee for Temporarily Non-Practicing Members shall be prorated as of the first day of
414 the month in which the application for such status is accepted.

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417 **Part C: Special Assessments**

418 The Board of Directors may levy from time to time special assessments upon Members, except
419 Honorary Members, when in its opinion circumstances warrant. Such special assessments shall be
420 levied upon the vote of sixty percent (60%) of the Board of Directors voting at a quorum meeting. In
421 no event shall special assessments in any calendar year exceed the amount of the annual
422 membership dues for such year. Special assessments shall be payable on the date(s) specified by
423 the Board of Directors.

424

425 Any Member who fails to pay a special assessment within ninety (90) days from the date of such
426 assessment shall automatically be suspended from all privileges of membership and shall return all
427 indicia of membership to the Chief Executive Officer. If the suspended Member pays the delinquent
428 assessment within one (1) year of the date of such assessment, all indicia of membership shall be
429 returned and the rights and privileges of membership shall be restored. If the special assessment has
430 not been paid within one (1) year of the date it was assessed, the individual's membership shall
431 automatically terminate. The Appraisal Institute shall publish notice of such termination in a manner it
432 deems appropriate if, at the date of termination, the Member is the subject of the disciplinary action of
433 suspension, a pending disciplinary proceeding, or a pending peer review proceeding in which the
434 Member has been sent an offer of disciplinary action. A Member who fails to pay a special
435 assessment within one (1) year of the date it was assessed authorizes, but does not obligate the
436 Appraisal Institute to complete any peer review proceedings.

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439 **Part D: Waiver**

440 The Chief Executive Officer may, in his or her reasonable judgment, grant extensions of payment or
441 waive the payment of any membership dues, administrative fees, late fees and/or special
442 assessments of the Appraisal Institute. If the Chief Executive Officer denies an extension or waiver
443 request, the Executive Committee shall review such decision.

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ARTICLE IX

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448

National Governance: Board of Directors

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Part A: Powers

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The Board of Directors shall be the governing body of the Appraisal Institute and shall have the final authority in all matters relating to the Appraisal Institute. In addition to such powers as are set forth in these Bylaws, the Board of Directors shall have and may exercise all of the powers of the Appraisal Institute, subject only to the provisions of the Act, the Articles of Incorporation and these Bylaws. The Board of Directors may delegate to committees or other appropriate bodies such of its activities and powers as are legal, reasonable and proper and not inconsistent with the Articles of Incorporation or these Bylaws. The Board of Directors is responsible for the exercise of delegated power and liable for the abuse of it.

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The Board of Directors shall adopt and maintain Regulations and policies governing the nomination and election of members to the Board of Directors by the Regional Committees and policies governing the nomination and election of the Associate Member and International Member to the Board of Directors.

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Part B: Composition

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The Board of Directors shall consist of: (1) the officers of the Appraisal Institute; (2) the Chair and Vice Chair of each Regional Committee; (3) one International Member in good standing elected by the Board of Directors (effective January 1, 2012); (4) one Associate Member in good standing elected by the Board of Directors; (5) any member of the Audit Committee who is not serving on the Board by virtue of holding the position of Chair or Vice Chair of a Regional Committee; and (6) the Chief Executive Officer of the Appraisal Institute.

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Part C: Terms

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The Officers shall serve terms on the Board of Directors commensurate with their terms as Officers.

Members of the Board of Directors elected by the Regions shall serve a four (4) year term, which shall commence on January 1st of the first year of each member's term. During the year prior to the commencement of service on the Board, members shall attend all meetings of the Board of Directors but shall not have speaking or voting privileges.

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The International Member elected to serve on the Board of Directors shall serve a two (2) year term that shall commence on January 1st of the first year of the International Member's term. Except as otherwise provided, the International Member shall be elected at the third regular Board of Directors meeting in the year prior to commencement of the International Member's term. The election of the International Member on the Board of Directors for a term commencing on January 1, 2012 shall occur in 2011 when feasible.

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The Associate Member elected to serve on the Board of Directors shall serve a four (4) year term which shall commence on January 1st of the first year of the Associate Member's term. The Associate Member shall be elected at the third regular Board of Directors meeting in the second year prior to commencement of the Associate Member's term. During the year prior to the commencement of the Associate Member's term, the Associate Member shall attend all meetings of the Board of Directors but shall not have speaking or voting privileges.

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Part D: Qualifications to Serve

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To be eligible for service on the Board of Directors, an individual shall (1) be a Member of the Appraisal Institute in good standing; (2) hold an Appraisal Institute designation, except where otherwise provided; (3) if a Designated Member, hold the status "continuing education completed," or if an Associate Member have met current continuing education requirements of the Appraisal Institute for Associate Members; (4) have not been subject to publishable disciplinary action by the Appraisal Institute within the five (5) years prior to the date of election; (5) be able to read, speak and understand the English language; and (6) have met such other minimum qualifications for service as may be adopted by the Board of Directors from time to time.

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The individual elected to fill the Associate Member position on the Board of Directors cannot hold any Appraisal Institute designation at the time of election. The individual elected to fill the International Member position on the Board of Directors must be an International Member at the time of the election.

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Part E: Resignation

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A Director may resign by notice delivered in writing to the President, however, such resignation shall not become effective until accepted by the President.

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Part F: Removal

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The body that elected a Director may remove such Director, for cause, upon the vote of two-thirds (2/3) of those voting at a quorum meeting of the body that voted to elect the Director.

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A Director shall be automatically removed from serving on the Board of Directors if he or she: 1) ceases to be a Member of the Appraisal Institute in good standing; 2) ceases to hold a designation from the Appraisal Institute and is holding a Director position for which a designation is required as a condition of service; 3) has received a publishable disciplinary action as defined in the Regulations of the Appraisal Institute; 4) ceases to hold the status "continuing education completed" if a Designated Member or fails to meet current continuing education requirements of the Appraisal Institute for Associate Members if an Associate Member; or 5) fails to attend a regularly scheduled or special meeting of the Board of Directors, unless such absence is excused. The President shall determine whether an absence is excused, however, if there is any dispute as to whether an absence should or should not be excused, the Board of Directors shall make the final determination.

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If, during the period between election to a Director position and the assumption of such position, the elected individual: (1) ceases to be a Member of the Appraisal Institute in good standing; (2) ceases

537 to hold a designation from the Appraisal Institute and was elected to a Director position for which a
538 designation is required as a condition of service; (3) has received a publishable disciplinary action as
539 defined in the Regulations of the Appraisal Institute; (4) ceases to hold the status “continuing
540 education completed” if a Designated Member, or fails to meet current continuing education
541 requirements of the Appraisal Institute for Associate Members if an Associate Member; or (5) fails to
542 meet such other requirements as the Board of Directors may adopt from time to time and were in
543 effect at the time of the election, the elected individual shall be disqualified from serving and a new
544 election shall be held.

545

546 If an Appraisal Institute designation is conferred on the individual who is serving as the Associate
547 Member on the Board of Directors but who continues to meet all other requirements for service on the
548 Board, such individual may serve the remainder of his or her term. If the International Member on the
549 Board of Directors ceases to be an International Member during his or her term but continues to meet
550 all other requirements for service on the Board, such individual may serve the remainder of the term.

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553 **Part G: Vacancies**

554 Each vacancy on the Board of Directors, whether by reason of death, incapacity, removal,
555 resignation, or otherwise, shall be filled: (1) in the case of Directors elected by the Regional
556 Committees, by automatic succession in accordance with the Regulations of the Appraisal Institute;
557 (2) in the case of officers of the Appraisal Institute, by Nominating Committee nomination and Board
558 of Directors election as provided in these Bylaws; and (3) in the case of any Director who was elected
559 by the Board of Directors, by election of the Board at its next meeting. Each individual so elected to fill
560 a vacancy shall serve on the Board of Directors in the previous incumbent’s position for the unexpired
561 portion of the term of the previous incumbent. If a vacancy occurs in the office of Immediate Past
562 President, such office shall remain vacant until the following year.

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565 **Part H: Voting**

566 Each member of the Board of Directors shall have one (1) vote, except as provided below. Any
567 Associate Member serving on the Board of Directors shall not have voting privileges or the right to
568 make motions regarding proposed amendments to the Admissions Regulations or any other matter
569 that changes the requirements for designation, but such Associate Member shall have speaking
570 privileges regarding such matters. Directors who are serving on the Board of Directors solely by virtue
571 of their membership on the Audit Committee shall not have voting privileges or the right to make
572 motions, but shall have speaking privileges. The Chief Executive Officer shall not have voting
573 privileges or the right to make motions on the Board of Directors, but shall have speaking privileges.

574

575 Each member of the Board of Directors shall vote his or her own conscience on every matter brought
576 before the Board of Directors using the best interests of the Appraisal Institute as a guide. A member
577 of the Board of Directors may not attend a meeting by proxy or vote by proxy.

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580 **Part I: Meetings and Quorum**

581 The Board of Directors shall hold four (4) regular meetings each calendar year. Special meetings of
582 the Board of Directors may be called: (1) by the President; (2) pursuant to a written petition signed by

583 a majority of the Executive Committee; or (3) pursuant to a written petition signed by one-third (1/3) of
584 the members of the Board of Directors. Such written petitions may be in electronic form.

585

586 Notice of a regular meeting of the Board of Directors shall be delivered in writing to each Director at
587 least forty-five (45) days in advance of such meeting and shall specify the time, date, purpose and
588 location of the meeting. Unless otherwise provided, notice of a special meeting of the Board of
589 Directors shall be delivered in writing to each Director at least forty-eight (48) hours in advance of
590 such meeting and shall specify the time, date, purpose and location of the meeting.

591

592 Except as provided below, a majority of the members of the Board of Directors shall constitute a
593 quorum for the transaction of business at any meeting of the Board of Directors. Two-thirds (2/3) of
594 the members of the Board of Directors shall constitute a quorum for the transaction of business at any
595 special meeting of the Board of Directors where notice is delivered in writing less than fifteen (15)
596 days in advance of such special meeting. A meeting at which a quorum is initially present may
597 continue to transact business, notwithstanding the withdrawal of Directors, if any action is approved
598 by a majority of the required quorum for that meeting.

599

600 Except as provided otherwise by these Bylaws or the Regulations of the Appraisal Institute, the vote
601 of a majority of Directors voting at a duly held meeting at which a quorum is present shall be regarded
602 as the act of the Board of Directors.

603

604 The Board of Directors may hold meetings either in person or by interactive technology, so long as all
605 Directors participating in the meeting can communicate with one another. Interactive technology
606 includes but is not limited to conference telephone, electronic transmission, Internet usage, or remote
607 communication. Action taken at a meeting held via interactive technology shall be as effective as if
608 the Directors had met in person.

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611 **Part J: Waiver of Notice**

612 Notice of a meeting need not be delivered in writing to any Director who signs a waiver of notice or a
613 written consent to holding the meeting or an approval of the minutes thereof, whether before or after
614 the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such
615 waivers, consents and approvals shall be filed with the corporate records or made a part of the
616 minutes of the meeting. Notice of a meeting need not be delivered in writing to any Director who
617 attends the meeting without protesting before or at its commencement the lack of proper notice to
618 such Director.

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621 **Part K: Action Without a Meeting**

622 Any action required or permitted to be taken by the Board of Directors may be taken without a
623 meeting if all members of the Board of Directors consent in writing to that action. A member of the
624 Board of Directors may provide such written consent in electronic form. An action by written consent
625 shall have the same force and effect as any other validly approved action of the Board of Directors.
626 Such written consent or consents shall be filed with the minutes of the proceedings of the Board of
627 Directors.

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630 **Part L: Past Officers**

631 All past officers of the Society of Real Estate Appraisers and the American Institute of Real Estate
632 Appraisers shall be past officers of the Appraisal Institute. All past Presidents of the Appraisal
633 Institute and its predecessors shall have floor privileges, but not voting privileges, except for the
634 Immediate Past President who shall serve on the Executive Committee and Board of Directors.

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638 **National Governance: Officers**

639

640 **Part A: Elected Officers**

641 The elected officers of the Appraisal Institute shall be the President, President Elect, Vice President
642 and Immediate Past President. The Vice President shall also serve as Treasurer.

643

644

645 **Part B: Powers and Duties**

646 The President shall generally oversee the affairs of the Appraisal Institute and shall have the general
647 powers and duties usually vested in the Chief Elected Officer of a not for profit association. The
648 President shall preside at all meetings of the Members, the Board of Directors and the Executive
649 Committee. The President, or his or her designee, shall act as the spokesperson for the Appraisal
650 Institute and shall have the authority to represent the Appraisal Institute consistent with the directives,
651 resolutions and policies of the Board of Directors. The President shall act on behalf of the Appraisal
652 Institute when the Appraisal Institute is the sole voting member of another not for profit corporation.
653 The President shall have such other powers and perform such other duties as may be prescribed in
654 these Bylaws and the Regulations or as directed by the Board of Directors from time to time.

655

656 Except as otherwise provided in these Bylaws and the Regulations of the Appraisal Institute, the
657 President shall appoint the Chair and members of committees, boards, and panels, subject to the
658 approval of the Board of Directors. The President may appoint project teams as he or she deems
659 necessary or appropriate from time to time.

660

661 The President Elect shall preside at meetings of the Members, the Board of Directors and the
662 Executive Committee in the event the President is for whatever reason unable to preside and shall
663 act for the President in other matters when the President is unable to act. The President Elect shall
664 have such other powers and perform such other duties as may be prescribed in these Bylaws and the
665 Regulations and as directed by the Board of Directors or the President from time to time.

666

667 The Vice President shall serve as Chair of the Finance Committee and shall have such other powers
668 and duties as may be prescribed in these Bylaws and the Regulations and as directed by the Board
669 of Directors or the President from time to time.

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672 **Part C: Election, Term and Succession**

673 The Nominating Committee shall submit its nomination(s) for Vice President to the Board of Directors
674 during the second regular Board of Directors meeting each year, unless a vacancy in the office of
675 Vice President occurs during the course of a Vice President's term, in which case the nomination(s)
676 for Vice President shall be submitted as soon as practicable after the vacancy occurs or after notice
677 of the impending vacancy is received. If a vacancy occurs in the office of President or President-
678 Elect and such vacancy is not filled by automatic succession, the Nominating Committee shall submit

679 its nomination(s) for such vacant position as soon as practicable after the vacancy occurs or after
680 notice of the impending vacancy is received.

681

682 Additional nomination(s) for Vice President or any other vacant Officer position(s) not filled by
683 automatic succession may be received from the Board of Directors, provided a written petition signed
684 by at least twenty percent (20%) of the Directors is delivered in writing to the Chief Executive Officer
685 no later than forty-five (45) days after the Nominating Committee's submission of its nomination(s) to
686 the Board. Such petition(s) may be in electronic form. The Chief Executive Officer shall promptly
687 notify the Board of Directors of any written petition for additional nomination(s) that is received. At the
688 close of the forty-five (45) petition period, the membership, chapters and regions shall be notified of
689 all the nomination(s) and shall have the opportunity for input prior to the Board's decision.

690

691 Provided that there are at least seventy-five (75) days between the second and third regular Board
692 meetings, the annual election of officers shall occur at the third regularly scheduled Board of Directors
693 meeting each year. If there are not at least seventy-five (75) days between the second and third
694 regular Board meetings, the annual election of the officers shall occur at the fourth regular Board of
695 Directors meeting or at a special Board of Directors meeting at least seventy-five (75) days after the
696 second regular Board meeting and called with at least thirty (30) days notice.

697

698 A special election to fill a vacancy in the office of Vice President, President-Elect, or President shall
699 occur at the first regular or special Board of Directors meeting that occurs after the period for
700 additional nomination(s) has closed. The elected officers shall serve for a term of one (1) year in the
701 office to which he or she has been elected, unless filling a vacancy pursuant to Part F of this Article.
702 The term of office shall commence on January 1 following election to office.

703

704 The Vice President shall automatically succeed to the office of President Elect, the President Elect
705 shall automatically succeed to the office of President, and the President shall automatically succeed
706 to the office of Immediate Past President. The automatic succession will not occur if good cause is
707 shown and a motion to the contrary is passed by two-thirds (2/3) of the Directors voting on the issue
708 at a quorum meeting of the Board of Directors.

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711 **Part D: Qualifications to Serve**

712 To be eligible for service as an elected officer of the Appraisal Institute, an individual shall: (1) be a
713 Designated Member in good standing of the Appraisal Institute; (2) not have been subject to a
714 publishable disciplinary action by the Appraisal Institute within five (5) years of the date of election;
715 (3) hold the status "continuing education completed"; and (4) have met such other minimum
716 qualifications as may be adopted by the Board of Directors from time to time.

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719 **Part E: Removal**

720 Officers may be removed from office, for cause, by the vote of two-thirds (2/3) of the members of the
721 Board of Directors voting at a quorum meeting of the Board of Directors.

722

723 An officer shall be automatically removed if he or she: (1) ceases to be a Designated Member in good
724 standing of the Appraisal Institute; (2) becomes subject to a publishable disciplinary action by the
725 Appraisal Institute while in office; or (3) ceases to hold the status "continuing education completed."

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Part F: Vacancies

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If a vacancy for whatever reason occurs in the office of the President, such vacancy shall be filled by

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the President Elect who shall thereafter serve his or her own term as President. If a vacancy for

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whatever reason occurs in the office of the President Elect, such vacancy shall be filled by the Vice

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President who shall thereafter serve his or her own term as President Elect. If a vacancy occurs in the

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office of Vice President during the course of a Vice President's term, the Nominating Committee shall

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nominate an individual (or two (2) individuals if there is a deadlock after three consecutive votes

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between the same candidates) for consideration by the Board of Directors in an election at its next

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regularly scheduled or special meeting; however, the individual(s) so nominated must be qualified to

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serve from the time of nomination until the election. If a vacancy occurs in the office of Immediate

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Past President, such office shall remain vacant until the following year

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Part G: Chief Executive Officer

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There shall be a Chief Executive Officer of the Appraisal Institute approved by the Board of Directors.

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The Chief Executive Officer shall report to the Executive Committee and the Board of Directors.

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The Chief Executive Officer shall have the general powers and duties of management usually vested

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in the position of chief executive officer of a not for profit association and such other powers and

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duties as may be prescribed by these Bylaws, the Regulations and the Board of Directors from time

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to time. The Chief Executive Officer shall oversee office operations and staffing, manage the

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execution of the Appraisal Institute's strategic and operating plans and represent the Appraisal

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Institute at the direction of the Board of Directors or the President, consistent with the directives,

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resolutions, and policies of the Board of Directors.

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The Chief Executive Officer shall also serve as and perform all of the functions of corporate secretary

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of the Appraisal Institute. The Chief Executive Officer shall be an administrative officer of the

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Appraisal Institute and shall hold this position for the term of his or her employment or until such time

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as he or she retires, resigns or is removed by the Board of Directors.

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761 National Governance: Committees

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763 **Part A: General**

764 **Section 1. Establishment**

765 The Board of Directors may from time to time establish and abolish committees as it deems
766 necessary or appropriate. Committees shall report to the Board of Directors.

767

768 **Section 2. Appointment and Terms**

769 Except as otherwise provided in these Bylaws and the Regulations of the Appraisal Institute: (a) the
770 President shall appoint the Chairs and other members of committees, subject to the approval of the
771 Board of Directors; and (b) Committee Chairs shall appoint their respective Vice Chairs from among
772 the committee members.

773

774 The duration of the terms of Chairs and whether Chairs may be re-appointed shall be as specified in
775 these Bylaws and the Regulations of the Appraisal Institute. Vice Chairs shall serve one (1) year
776 terms and may be reappointed. The other members of committees shall serve two (2) year terms with
777 staggered expiration dates and may serve two (2) consecutive full terms, unless otherwise provided
778 in these Bylaws and the Regulations of the Appraisal Institute. Such terms shall commence on
779 January 1 of the appointing President's term.

780

781 **Section 3. Eligibility**

782 To be eligible for service on a committee, all members, including Chairs and Vice Chairs shall:

783

- 784 a) Be in good standing if a Member of the Appraisal Institute;
- 785
- 786 b) Not have been subject to a publishable disciplinary action by the Appraisal Institute within the five
787 (5) years prior to appointment or election;
- 788
- 789 c) Hold the status "continuing education completed" if a Designated Member, or have completed
790 any continuing education requirements for Associate Members if an Associate Member;
- 791
- 792 d) Be adept at and possess technical capability for prompt Internet communication including the
793 ability to access and respond to e-mail;
- 794
- 795 e) Have completed a Membership Profile; and
- 796
- 797 f) Have met such other minimum qualifications for service as may be adopted by the Board of
798 Directors from time to time.

799

800 **Section 4. Removal**

801 A committee Chair, Vice Chair, or member shall be automatically removed if he or she (a) ceases to
802 be in good standing if a Member of the Appraisal Institute; (b) becomes subject to a publishable
803 disciplinary action by the Appraisal Institute while in such position; or (c) ceases to hold the status

804 "continuing education completed" if a Designated Member, or fails to complete any continuing
805 education requirements for Associate Members if an Associate Member.

806

807 Further, the Board of Directors may remove a Chair, Vice Chair, or member of a committee for cause
808 by a sixty percent (60%) vote.

809

810 **Section 5. Vacancies**

811 Unless otherwise established by these Bylaws, if a vacancy for whatever reason occurs in a
812 committee position, such vacancy shall be filled by appointment by the President or election,
813 depending on the means by which the position is regularly filled. However, the member so appointed
814 or elected must be qualified to serve in the position from the time of appointment or election. Any
815 appointment by the President to fill a vacant committee position shall be subject to approval by the
816 Board of Directors at its next regularly scheduled or special meeting.

817

818 **Section 6. Meetings, Quorum, and Voting**

819 A committee may hold meetings either in person or by interactive technology, so long as all members
820 of the committee participating in the meeting can communicate with one another. Interactive
821 technology includes, but is not limited to, conference telephone, electronic transmission, Internet
822 usage, or remote communication. Action taken at a meeting held via interactive technology shall be
823 as effective as if the committee members had met in person.

824

825 A majority of the members of a committee shall constitute a quorum for the transaction of the
826 business of that committee, except as otherwise provided in these Bylaws. The vote of a majority of
827 members of a committee voting at a duly held meeting shall be regarded as the act of that committee.
828 A meeting at which a quorum is initially present may continue to transact business, notwithstanding
829 the withdrawal of members, if any action taken is approved by a majority of the required quorum for
830 that meeting.

831

832 Except where otherwise provided, each member of a committee shall have one (1) vote on each
833 matter coming before that committee. A member of a committee may not attend a committee meeting
834 by proxy or vote by proxy.

835

836 Each member of a committee shall vote his or her own conscience on every matter brought before
837 such committee using the best interests of the Appraisal Institute as a guide. A member of a
838 committee may not attend a meeting by proxy or vote by proxy.

839

840 Any action required or permitted to be taken by a committee may be taken without a meeting if all
841 members of the committee consent in writing to that action. A member of the committee may provide
842 such written consent in electronic form. An action by written consent shall have the same force and
843 effect as any other validly approved action of the committee. Such written consent or consents shall
844 be filed with the minutes of the proceedings of the committee that took the action.

845

846 **Section 7. Miscellaneous**

847 The Board of Directors shall adopt and maintain Regulations establishing the powers, duties and
848 responsibilities of committees.

849

850

851 **Part B. Committees of the Board**

852 **Section 1. Executive Committee**

853
854 **(a) Composition**

855 There shall be an Executive Committee composed of the elected officers (President, President
856 Elect, Vice President and Immediate Past President) and the Chief Executive Officer, who shall
857 serve as a nonvoting member. If a vacancy for whatever reason occurs in the position of
858 Immediate Past President, such position shall be filled by the prior Immediate Past President for
859 the unexpired portion of the previous incumbent's term.

860
861 **(b) Powers and Duties**

862 The Executive Committee shall report to the Board of Directors and shall:

- 863
- 864 1) Monitor implementation of strategic and operating plans and take appropriate actions to
865 advance such implementation;
 - 866
 - 867 2) Develop and monitor relationships with external parties consistent with the directives and
868 policies of the Board of Directors;
 - 869
 - 870 3) Advise, counsel and evaluate the Chief Executive Officer; and
 - 871
 - 872 4) Perform such other duties as may be assigned to it by the Board of Directors.
- 873

874 The Executive Committee may also act on behalf of the Appraisal Institute between meetings of
875 the Board of Directors provided that, in the judgment of the Executive Committee:

- 876
- 877 1) It is imprudent or impractical to defer taking such action until the Board of Directors can
878 meet; or
 - 879
 - 880 2) There is an emergency that requires the Executive Committee to act on behalf of the
881 Board.
- 882

883 However, the Executive Committee may not take any action that is inconsistent with any action
884 previously taken by the Board of Directors and must report any action it takes to the Board of
885 Directors. The Board of Directors shall decide whether to ratify such actions.

886

887 **Section 2. Audit Committee**

888
889 **(a) Composition**

890 There shall be an Audit Committee composed of five (5) members elected by the Board of
891 Directors.

892

893 At its third regular meeting each year, the Board of Directors shall hold an election for those Audit
894 Committee positions whose terms end that year. When elected, members must be an Appraisal
895 Institute Designated Member in good standing and be currently serving on the Board of Directors
896 or serving as a Third Regional Director. Furthermore, at least one (1) of the members elected
897 each year must have one (1) year remaining on his or her Board term or must be a Third

898 Regional Director, whose Audit Committee term would commence concurrently with his or her
899 term on the Board of Directors. Executive and Finance Committee members may not serve
900 concurrently on the Audit Committee.

901

902 The elected members of the Audit Committee shall serve two (2) year staggered terms beginning
903 on January 1 following election to office. The Chair of the Audit Committee shall be selected
904 annually by the Audit Committee members.

905

906 **(b) Powers and Duties**

907 The Audit Committee shall report to the Board of Directors. The Audit Committee shall:

908

909 1) Receive monthly reports from the Finance Committee;

910

911 2) Recommend independent auditors to the Board of Directors;

912

913 3) Cause an annual audit of Appraisal Institute accounts to be made;

914

915 4) Recommend as appropriate that an audit be made on the accounts of entities under the
916 Appraisal Institute's control;

917

918 5) Conduct and/or oversee investigations to protect the integrity of the Appraisal Institute;

919

920 6) Oversee the Appraisal Institute's management and internal control structure and financial
921 reporting processes;

922

923 7) Recommend policies and actions to protect the financial integrity of the Appraisal
924 Institute and entities under its control;

925

926 8) Evaluate threats to the Appraisal Institute's corporate assets and make appropriate
927 recommendations;

928

929 9) Inform the Board of Directors when Boards, committees or other bodies have not
930 complied with Appraisal Institute financial procedures and financial internal controls;

931

932 10) Review potential conflicts of interest of individuals serving in the national governance
933 structure with counsel and make appropriate recommendations to the Board of Directors;

934

935 11) Otherwise act in accordance with Audit Committee Policies and Procedures approved by
936 the Board of Directors; and

937

938 12) Perform such other duties as may be assigned to it by the Board of Directors.

939

940 **Section 3. Nominating Committee**

941

942 **(a) Composition**

943 There shall be a Nominating Committee that is composed of the Immediate Past President and
944 one (1) member from each Region elected by the Regional Committee in each Region. The
945 Immediate Past President shall serve as the Chair of the Nominating Committee without a vote. If

946 the Immediate Past President is unavailable to serve his or her term, or any part thereof, as Chair
947 of Nominating Committee, the most recent Past President willing and able shall serve as Chair of
948 the Nominating Committee without a vote.

949

950 The members of the Nominating Committee shall serve a one-year term commencing on January
951 1 following their election. If an elected member of the Nominating Committee is unable to serve,
952 an alternate member elected from the Region shall serve the remainder of the elected member's
953 one (1) year term.

954

955 To be eligible to serve as a member elected by a Region on the Nominating Committee, an
956 individual:

957

- 958 1) Shall hold an Appraisal Institute designation;
- 959
- 960 2) Shall have at least one (1) year of service as a Chapter President, two (2) years of
961 service as a regional representative, or two (2) years of service on a national committee
962 or on the national Board of Directors;
- 963
- 964 3) Shall not have served on the Nominating Committee or its predecessors in the previous
965 six (6) years;
- 966
- 967 4) Shall not be serving concurrently as a Board member or third Regional Director unless
968 the member's Region requests an exception that is approved by the Executive
969 Committee;
- 970
- 971 5) Shall not be serving concurrently on any other national Appraisal Institute board or Shall
972 satisfy the other requirements for Committee service set forth in these Bylaws.

973

974 **(b) Powers and Duties**

975 The Nominating Committee shall report to the Board of Directors and shall:

976

- 977 1) Interview and evaluate candidates for Vice President and for any other vacant Officer
978 position(s);
- 979
- 980 2) Identify key issues for the written questionnaire that candidates for Vice President and for
981 any other vacant Officer position(s) must complete;
- 982
- 983 3) Identify key issues for the oral interviews of candidates for Vice President and for any
984 other vacant Officer position(s);
- 985
- 986 4) Solicit input from the membership, chapters and regions on the candidates for Vice
987 President and for any other vacant Officer position(s) prior to finalization of the
988 Nominating Committee's decision;
- 989
- 990 5) Nominate for Board of Directors consideration an individual (or two (2) individuals if there
991 is a deadlock after three consecutive votes between the same candidates) for Vice
992 President and for any other vacant Officer position(s);

993

- 994 6) Submit its nomination (or two (2) nominations if there is a tie vote as noted above) for
995 Vice President to the Board of Directors at its second regular meeting, with the rationale
996 for its decision, unless a vacancy in the office of Vice President occurs during the course
997 of a Vice President's term, in which case the nomination(s) for Vice President and
998 rationale shall be submitted to the Board of Directors as soon as practicable after notice
999 of the impending vacancy is received or after the vacancy occurs;
- 1000
- 1001 7) Submit its nomination (or two (2) nominations if there is a tie vote as noted above) for any
1002 other vacant Officer position(s) to the Board of Directors, with the rationale for its
1003 decision, to the Board of Directors as soon as practicable after notice of the impending
1004 vacancy is received or after the vacancy occurs;
- 1005
- 1006 8) Nominate for Board of Directors consideration one (1) or more Associate Members for
1007 election to the Associate Member position(s) on the national Board of Directors;
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- 1009 9) Nominate for Board of Directors consideration one (1) or more International Members for
1010 election to the International Member position on the national Board of Directors; and
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- 1012 10) Perform such other duties as may be assigned to it by the Board of Directors.
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1015 **Part C: Panels and Project Teams**

1016 The Board of Directors may from time to time establish and abolish Panels and Project Teams as it
1017 deems necessary or appropriate. The Board of Directors may adopt and maintain Regulations,
1018 directives and policies establishing the powers, duties and responsibilities of Panels and Project
1019 Teams.
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1021 **Part D: Other Entities**

1022 **Section 1. Trust Fund Committee**

1023 There shall be a Trust Fund Committee, the composition of which shall be governed by the Bylaws
1024 of the Appraisal Institute Education Trust. The Trust Fund Committee shall report to the Board of
1025 Directors. The Trust Fund Committee shall oversee the trust funds of the Appraisal Institute, shall
1026 recommend the policies and criteria for the Appraisal Institute's recognition of special professional
1027 achievement, shall determine the recipients of the various awards given by the Appraisal Institute and
1028 shall be the nominees for the Board of Directors of the not for profit Appraisal Institute Education
1029 Trust corporation.
1030

1031 **Section 2. REAGIT**

1032 The Real Estate Appraisers Group Insurance Trust (REAGIT) is a group insurance trust established
1033 in 1976. REAGIT's trust agreement, as amended and restated, describes its purpose, terms and
1034 governance. The Chair of REAGIT shall report to the Appraisal Institute Board of Directors on matters
1035 relating to administration of the trust.
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1037 **Section 3. ALIP**

1038 The Appraisers Liability Insurance Program, Inc. (ALIP) is an Illinois corporation, of which the
1039 Appraisal Institute is the sole shareholder. ALIP's Articles of Incorporation and Bylaws describe its
1040

1041 purpose and governance. The President of ALIP shall report to the Appraisal Institute Board of
1042 Directors concerning matters relating to administration of ALIP.
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1046 Regional Governance

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1048 **Part A: General**

1049 The Board of Directors of the Appraisal Institute shall establish geographic Regions and the territory
1050 associated with each such Region from time to time. Each Region shall exist solely by reason of
1051 action taken by the Board of Directors and shall hold all its property and assets in trust for the
1052 Appraisal Institute.

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1054 At least every five (5) years, the Board of Directors shall review regional populations and alignment
1055 and take whatever action it deems necessary and appropriate to maintain approximate balance of
1056 populations among the Regions.

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1059 **Part B: Purpose**

1060 The purpose of the regional structure shall be to facilitate the flow of information between the Board
1061 of Directors and the Chapters and among the Chapters within each Region and to provide
1062 opportunities for service to the Appraisal Institute.

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1065 **Part C: Structure**

1066 Each Region shall have a Regional Committee as provided in the Regulation governing Regions.
1067 Each Regional Committee shall elect a Chair and Vice Chair, who shall administer the affairs of the
1068 Region and serve as members of the Board of Directors of the Appraisal Institute.

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1071 **Part D: Miscellaneous**

1072 The Board of Directors shall adopt and maintain Regulations governing the regional structure so as to
1073 achieve the purposes of the Articles of Incorporation and these Bylaws.

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ARTICLE XIII

Chapter Governance

Part A: General

The Board of Directors shall establish from time to time such Chapters of the Appraisal Institute as it deems necessary and appropriate. Each Chapter shall exist solely by reason of the charter granted to it by the Appraisal Institute and shall hold all its property and assets in trust for the Appraisal Institute.

Part B: Territory

The geographic territory assigned to each Chapter shall be determined by the Board of Directors of the Appraisal Institute and shall be clearly defined in the charter issued by the Board of Directors to each Chapter. Only the Board of Directors can change the geographic territory of a Chapter.

Part C: Requirements

Each Chapter is required to adopt standard Bylaws that conform to the Bylaws and Regulations of the Appraisal Institute. Each Chapter is prohibited from acting in any manner inconsistent with the Bylaws and Regulations of the Appraisal Institute. Chapter Bylaws and any amendments thereto must be approved by the Appraisal Institute.

Part D: Miscellaneous

The Board of Directors of the Appraisal Institute shall adopt and maintain Regulations governing Chapters, including dues, fees, elections, meetings, committees, revocation of Chapter charters and any other matter that the Board of Directors deems appropriate to achieve the purposes of the Articles of Incorporation and these Bylaws.

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1110 Indemnification and Insurance

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1112 **Part A: Indemnification**

1113 The Appraisal Institute shall, in accordance with the procedures required by the Act and to the fullest
1114 extent permitted by law, indemnify its Directors, officers, Members, employees and agents from and
1115 against all expenses, judgments, fines, settlements and other amounts (including attorneys' fees)
1116 actually incurred in connection with any threatened, pending or completed action, suit or proceeding,
1117 whether civil, criminal, investigative or administrative brought by reason of the fact that such Director,
1118 officer, Member, employee or agent is or was a Director, officer, committee member, Panel member,
1119 Board member, project team member, employee or agent of the Appraisal Institute or is or was
1120 cooperating with any committee, panel or Board; provided, however, such individual was attempting
1121 in good faith to act according to the Bylaws and Regulations of the Appraisal Institute.

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1124 **Part B: Insurance**

1125 The Appraisal Institute shall have the right and power to purchase and maintain insurance to the
1126 fullest extent permitted by law on behalf of its Directors, officers, Members, Chapters, Regions,
1127 employees and agents against any liability asserted against or incurred by a Director, officer,
1128 Member, Chapter, Region, employee or agent in such capacity or arising out of the Director's,
1129 officer's, Member's, Chapter's, Region's, employee's or agent's status as such.

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1133 **ARTICLE XV**

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1135 **Conduct of Meetings**

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1137 The rules contained in *Robert's Rules of Order, Newly Revised*, shall govern the meetings of the
1138 Appraisal Institute, whether at the national, regional or chapter level, unless inconsistent with the
1139 Articles of Incorporation, these Bylaws or the Regulations.

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1145 Regulations

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1147 Regulations shall have the same force and effect as the Bylaws; however, if there is a conflict
1148 between the Bylaws and any Regulation, the Bylaws shall prevail. The Board of Directors shall adopt
1149 such Regulations as are required by these Bylaws and such other Regulations that it deems
1150 necessary or appropriate from time to time and which are not inconsistent with the Act, the Articles of
1151 Incorporation or these Bylaws. The Board of Directors shall be empowered to enforce all Regulations
1152 of the Appraisal Institute.

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1157 **Amendments**

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1159 The Board of Directors shall have the sole authority to adopt or amend these Bylaws and then only
1160 upon a vote of sixty percent (60%) of the Directors voting at a quorum meeting after notice has been
1161 delivered in writing to members of the Appraisal Institute not fewer than forty-five (45) days before
1162 such meeting.

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1164 The Board of Directors shall have the sole authority to adopt or amend the designation requirements
1165 in the Admissions Regulations and then only if: (a) sixty percent (60%) of the Directors with voting
1166 rights vote in favor at a quorum meeting, regardless of how many Directors are present at such
1167 meeting; and (b) notice has been delivered in writing to members of the Appraisal Institute not fewer
1168 than forty-five (45) days before such meeting.

1169

1170 The Board of Directors shall have the sole authority to adopt or amend the Code of Professional
1171 Ethics and Standards of Professional Appraisal Practice, and then only upon a vote of a majority of
1172 the Directors voting at a quorum meeting after notice has been delivered in writing to members of the
1173 Appraisal Institute not fewer than forty-five (45) days before such quorum meeting.

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1175 The Board of Directors shall have the sole authority to adopt or amend the other Regulations of the
1176 Appraisal Institute and then only upon a vote of a majority of the Directors voting at a quorum
1177 meeting.

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1185 **Delivery of Notices and Other Documentation**

1187 When the Bylaws and Regulations provide for notice or other documentation to be “delivered in
1188 writing,” or use some variation of that terminology such as “deliver in writing” or “delivers in writing,”
1189 such notice or documentation may be transmitted via United States mail, traceable carrier, personal
1190 delivery or electronic means, including but not limited to facsimile and e-mail.

1192 Any notice to a Member that is addressed to the principal place of business or home of such Member
1193 or the facsimile number or e-mail address of such Member as it appears in the official records of the
1194 Appraisal Institute and that is transmitted within the time limits set forth in the Bylaws or Regulations
1195 shall be deemed good and sufficient notice for all purposes. Unless specifically provided otherwise,
1196 the effective date of delivery for such notices shall be the date of mailing, transmittal, delivery to a
1197 traceable carrier, or in the case of personal delivery, the date that the notice is delivered to the
1198 Member’s principal place of business or home.

1200 Each Member shall keep the Appraisal Institute advised as to the current address of his or her
1201 principal place of business and home, current facsimile number and current e-mail address.

1206 **ARTICLE XIX**

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1208 **Fiscal Year**

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1210 The fiscal year of the Appraisal Institute shall be the calendar year.

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1215 **Dissolution**

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1217 Upon the dissolution of the Appraisal Institute, the Board of Directors shall, after paying or adequately
1218 providing for the payment of all of the liabilities of the Appraisal Institute, dispose of all the assets of
1219 the Appraisal Institute to such organization or organizations organized and operated for educational,
1220 research and professional association purposes relating to appraisal services as shall at the time
1221 qualify as an exempt organization or as exempt organizations under Section 501(c)(3) or Section
1222 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United
1223 States Internal Revenue Law), in such manner as the Board of Directors shall determine. Any such
1224 assets not so disposed of by the Board of Directors shall be disposed of by the appropriate court of the
1225 county in which the principal office of the Appraisal Institute is located to an exempt organization or to
1226 exempt organizations organized and operated for the purposes described in Article II of these Bylaws.

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