



NATIONAL ASSOCIATION
OF REALTORS®

REALTOR®

The Voice for Real Estate®

NATIONAL ASSOCIATION OF REALTORS®
430 North Michigan Avenue
Chicago, Illinois 60611-4087

Legal Affairs
Telephone 312 329 8270

Fax 312 329 8256

Writer's Direct Number: 312/329-8375

April 17, 1995

Federal Election Commission
Office of the General Counsel
999 E Street, N.W.
Washington, D.C. 20463

RE: Advisory Opinion Request

Dear Sir:

On behalf of the Realtors® Political Action Committee and its connected organization, the National Association of Realtors®, I hereby request an advisory opinion concerning the following activities in which NAR and RPAC intend to engage.

The National Association of Realtors® (NAR) is an incorporated real estate trade association comprised of real estate professionals involved in all aspects of the real estate industry. NAR's various categories of membership are set forth in Article III of the NAR Constitution (copy attached). Of particular relevance to this request are "Member Boards," which, as set forth in the NAR Constitution, Article III, Section 1(B), are State or local Associations of Realtors® organized on a state-wide basis in each state or on a local jurisdictional level, such as by county or city. The vast majority of NAR's members are individuals who qualify as "Board Members" pursuant to Article III, Section 1(C) and who generally qualify as members within the scope of the Federal Election Commission's Regulations (hereinafter "Regulations") defining that term, 11 C.F.R. 100.8(b)(4)(iv) and 114.1(e)(2). This request involves the question of whether certain other individuals who are members of NAR's constituent State or local Associations or Boards (collectively known as Member Boards), but who are not "Board Members" or otherwise members of NAR in accordance with the NAR Constitution, may be solicited for contributions to RPAC.

Member Boards have the discretion to establish categories of membership in the Member Board and the duties, obligations and rights associated with each such membership category. All Member Boards maintain a "Realtor®" membership category which concurrently provides for membership in NAR (as "Board Members" as defined by the NAR Constitution), and which includes a regular dues obligation and sufficient NAR voting rights to qualify such individuals as



members of NAR within the scope of the Regulations. Many Member Boards also have established other membership categories which include a regular dues obligation and the right to vote for one or more members of the highest governing body of such Member Boards. In most cases, however, individuals holding membership in such other categories do not pay dues to the National Association of Realtors® and/or hold NAR voting rights sufficient to qualify them as members of NAR within the scope of the Regulations. Thus, such individuals satisfy the requirements of the Regulations for membership in the Member Board, but not with respect to membership in NAR.

Based on the foregoing, and in connection with the solicitation of contributions to NAR's separate segregated fund RPAC by NAR or by its Member Boards on behalf of NAR, we have the following questions:

1. Are any and all committees established by NAR and its constituent member State Associations and local Boards of REALTORS® "affiliated committees" within the meaning of 11 C.F.R. 110.3(a)(2)(iv) and 100.5(g)(3) (iv)?
2. Does NAR and its State Associations and local Boards constitute a "Federation" within the meaning of 11 C.F.R. 114.8(g)?
3. Assuming affirmative responses to questions 1 and 2, may RPAC contribution solicitations be directed to individuals who meet the definition of members of Member Boards because they have a regular dues obligation to the Member Board and the right to vote for one or more members of the highest governing body of the Member Board or another person who votes for one of more members of the highest governing body of the Member Board, but who are not members of NAR because they do not have a regular dues obligation to NAR and/or do not have the right to vote for one or more members of NAR's highest governing body or any other person who votes for one of more members of NAR's highest governing body? Such solicitation appears to be permitted by 11 C.F.R. 114.8(g), which expressly permits the solicitation of the members of a Federation's regional, State or local affiliates.
4. Assuming an affirmative response to question 3, may individual members of Member Boards (as described in question 3) also be solicited to provide, or make unsolicited donations for, funding to be used by the Member Board to underwrite the costs of soliciting members for contributions to RPAC?
5. In connection with RPAC fundraising events such as raffles or auctions which are conducted by Member Boards, where prizes are distributed and the application of 11 C.F.R. 114.5(b)(2) may be invoked:

(a) Should any reimbursements required by 114.5(b)(2) be paid to the fundraising event sponsor (the Member Board) to whom fundraising items are donated, or to the donors who provided such items?

(b) In calculating the need to make any reimbursements required by 114.5(b)(2) and the amount thereof, must the value of each item be considered individually in relation to the fundraising proceeds reasonably allocable to such items, or may the value of all items and the total of all fundraising proceeds be aggregated and the "one-third rule" applied to such aggregate amount?

(c) If the one-third rule permits aggregation of fundraising item costs/values and proceeds (as suggested in (b)) but reimbursement of fundraising item donors is required, must the reimbursement of donors be done on a pro rata basis?

We appreciate your attention to these questions. Please contact the undersigned if you require any additional information in this connection.

Sincerely,

A handwritten signature in cursive script that reads "Ralph W. Holmen".

Ralph W. Holmen

RWH/jbh



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OF REALTORS®

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430 North Michigan Avenue
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Telephone 312 329 8270

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Writer's Direct Number: 312/329-8375

May 17, 1995

Mr. Bradley Litchfield
Federal Election Commission
Office of the General Counsel
999 E Street, N.W.
Washington, D.C. 20463

AOR 1995-17

RECEIVED
MAY 17 1995
FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COUNSEL
999 E STREET, N.W.
WASHINGTON, D.C. 20463

RE: Advisory Opinion Request

Dear Mr. Litchfield:

*
Thank you for your telephone call regarding the Advisory Opinion Request I submitted dated April 17, 1995. I have reviewed that letter and carefully considered your comments in our discussion regarding my Request. In response, I am enclosing the "Model Bylaws" promulgated by the NATIONAL ASSOCIATION OF REALTORS® for use by State and local Associations of REALTORS®. In considering how best to respond to your inquiry, I determined that these documents would be of most use to you in being able to address our Request. As I indicated when we spoke, the specific bylaws governing Associations of REALTORS® differ in a variety of respects to address matters of particular concern or interest to each Association, but all are quite similar. Those similarities, which I believe you will find to include the provisions in which you may be interested in responding to our Request, are captured in these "Model" documents. Indeed, as you will see, many of the provisions included in these documents are required to be adopted by the State or local Associations.

In addition, you asked for specific examples of the type and nature of the fundraising events which question 5 of my Request addresses. In a typical case, a Member Board will solicit and receive from appropriately qualified members various items to sell directly or by "auction" at a social event conducted for that purpose. Items may include tangible goods such as televisions, radios, or other household items, donations of real estate services normally performed by members for compensation, or services such as weekend use of a vacation home. After each item is sold in whatever fashion is chosen, the gross sale proceeds are aggregated and the one-third rule applied to the amount of such proceeds and the "cost" of all items, valued at their fair market value.

As you requested, I am also enclosing a copy of Article III of the NAR Constitution, which was inadvertently omitted from my prior letter. I trust the foregoing is responsive to your

* This call occurred on 4/26/95

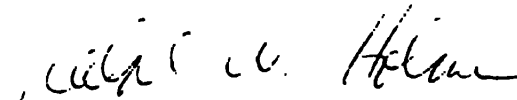
RL



NATIONAL ASSOCIATION OF REALTORS®

concerns, and invite you to call again if I can provide additional information or answer any other questions you may have.

Sincerely,


Ralph W. Holmen

RWH/jbh
Enclosures

Constitution

ARTICLE I

NAME

The name of the organization shall be NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE II

OBJECTS

The objects of the National Association shall be:

SECTION 1. To provide a facility for education, research and exchange of information for those engaged in the recognized branches of the real estate business, including brokerage, management, mortgage financing, appraising, counseling, land development and building, and education and research in real estate, in the United States of America, its insular possessions and the Commonwealth of Puerto Rico, for the purpose of raising the standards of real estate practice and preserving the right of property ownership in the interest of the public welfare;

SECTION 2. To promote and maintain high standards of conduct in the transaction of the real estate business;

SECTION 3. To formulate and promulgate a Code of Ethics for the members of the National Association;

SECTION 4. To license its members the right to display the emblem seal of the National Association and the right to use the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® which terms are hereby defined as designating a person or persons engaged in the real estate business who is a Board Member or Individual Member of the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 5. To inform the public of the advantages of transacting business with REALTORS®, and to encourage the use by Members of the term REALTOR® and the emblem seal.

ARTICLE III

MEMBERSHIP

SECTION 1. (A) The Members of the National Association shall consist of six classes: (1) Member Boards, (2) Board Members, (3) Individual Members, (4) National Affiliate Members, (5) International Members, and (6) Distinguished Service Award Recipients.

(B) Member Boards shall consist of (1) local real estate boards or associations or Boards or Associations of REALTORS® (hereinafter referred to as local Boards), which shall include city, county, inter-county or inter-state Boards, and also (2) state associations as provided in Section 5 of this Article, all of the REALTOR® Members and REALTOR-ASSOCIATE® Members of which shall hold membership in the National Association through such local board, or state association, as the case may be.

(C) Board Members shall be either REALTOR®, REALTOR-ASSOCIATE® or Institute Affiliate Members in good standing.

1. REALTOR® Members shall be principals of real estate firms, or individuals in position of management control on behalf of principals who are not physically present and engaged in the real estate business in connection with the firm's office located within the jurisdiction of the local Board, or individuals employed by or affiliated as independent contractors with REALTOR® principals of real estate firms, and who are deemed qualified for REALTOR® membership by the local Board, or if there is no local Board having jurisdiction, by the state association having an effective membership agreement with the National Association as provided in Article XV, Section 2. Each sole proprietor, partner or corporate officer actively engaged in the real estate business within its jurisdiction shall be required to become a REALTOR® member if any other principal of such firm, partnership or corporation is a REALTOR® Member.

1995 Constitution and Bylaws

This paragraph is effective January 1, 1996, and will replace paragraph #1 immediately preceding. However, any state association may elect to implement this paragraph with respect to itself and all member boards within the state any date subsequent to February 5, 1994.

1. REALTOR® Members shall be principals of real estate firms, or individuals in position of management control on behalf of principals who are not physically present and engaged in the real estate business in connection with the firm's office or individuals employed by or affiliated as independent contractors with REALTOR® principals of real estate firms, and who are deemed qualified for REALTOR® membership by the local Board, or if the real estate firm is located outside the jurisdiction of any local board, by the state association having an effective membership agreement with the National Association as provided in Article XV, Section 2. Each sole proprietor, partner or corporate officer of the real estate firm who is actively engaged in the real estate business within the state shall be required to become a REALTOR® member if any other principal of such firm, partnership or corporation is a REALTOR® Member.

2. REALTOR-ASSOCIATE® Members shall be those independent contractors and salesmen who are affiliated with or employed by a REALTOR® Member or a firm, partnership, or corporation of which any REALTOR® Member is a sole proprietor, partner or officer, who are actively engaged in the real estate business and who are deemed qualified for REALTOR-ASSOCIATE® membership by the local board, or if there is no local board having jurisdiction, by the state association having an effective membership agreement with the National Association as provided in Article XV, Section 2.

This paragraph is effective January 1, 1996, and will replace paragraph #2 immediately preceding. However, any state association may elect to implement this paragraph with respect to itself and all member boards within the state any date subsequent to February 5, 1994.

2. REALTOR-ASSOCIATE® Members shall be those independent contractors and salesmen who are affiliated with or employed by a REALTOR® Member or a firm, partnership, or corporation of which any REALTOR® Member is a sole proprietor, partner or officer, who are actively engaged in the real estate business and who are deemed qualified for REALTOR-ASSOCIATE® membership by the local board, or if the real estate firm is located outside the jurisdiction of any local board, by the state association having an effective membership agreement with the National Association as provided in Article XV, Section 2.

As used herein, the term "real estate business" shall include real estate brokerage, management, mortgage financing, appraising, land development or building.

3. Institute Affiliate members shall be individuals who hold a professional designation awarded by a qualified 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 vote or 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 membership. Local boards will establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the rights to use the term REALTOR®, REALTOR-ASSOCIATE, or the REALTOR® logo; to serve as President of the local board; or to be a Participant in the local board's multiple listing service. Local board entrance or initiation fees, if any, shall not exceed annual Institute Affiliate Member dues. Institute Affiliate Member dues may not exceed two and one-half times the amount established pursuant to Article II, Section 1(A) of the National Association's Bylaws for REALTOR® members. State Associations may impose a fee upon local boards in an amount not to exceed forty percent of the amount established pursuant to Article II, Section 1(A) of the National Association's Bylaws times



1995 Constitution and Bylaws

the number of Institute Affiliate members of the local board.

(D) Individual Members shall be persons who are elected to membership under the provisions of Section 7 of this Article.

(E) International Members shall be persons who are elected to membership under the provisions of Section 8 of this Article.

(F) In addition, those persons who are currently employed in an executive, administrative or management capacity by a Member Board of the National Association, or by an Institute, Society or Council of the National Association, shall be eligible for Individual Membership without payment of dues and shall be entitled to all rights and privileges of Individual Membership except the right to use the term REALTOR®.

SECTION 2. Only one local board in any municipality shall be elected a Member Board of the National Association, except as provided in Sections 3 and 4 of this Article, or otherwise approved by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 3. If territory is annexed by a municipality in which there is a local board which is a Member Board, such annexation shall not automatically enlarge the jurisdiction of such board if the enlargement would infringe upon the jurisdiction of another such local board; however, the Board of Directors may, in its discretion, provide for the retention or modification of the respective jurisdictions of such boards, in the absence of an agreement between them.

SECTION 4. The Board of Directors may, at its discretion, approve the establishment of Commercial Boards of REALTORS®. The rights and responsibilities of the Boards shall be set forth in this Constitution and the Bylaws of the National Association and in accordance with policies approved by the Board of Directors and as amended from time to time.

SECTION 5. (A) State Associations having membership agreements with the National Association as provided in Article XV, Section 2, of this Constitution may be elected to membership in the National Association in order to integrate more closely the work of local, state and national bodies, to further the purposes contemplated by said Article, and to afford an opportunity for individuals engaged in the real estate

business in areas outside the jurisdiction of a local board to become members of the National Association, subject to its standards, and to be represented therein.

(B) Such state associations shall be elected to membership only upon the following conditions:

1. Only one state association shall be elected from a given state;
2. Such state association so elected may accept for membership individuals whose principal place of business is situated in territory which is not within the jurisdiction of any local board holding membership in both such state association and the National Association;
3. Such state association so electing individuals agrees to be responsible for the enforcement of the Code of Ethics of the National Association with respect to such individuals;
4. Such state association shall have the same right to control the use of the terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE® in its territory as any local board has within its jurisdiction;
5. Such state association electing individuals to membership agrees to pay dues for them in the same manner as a local board pays dues for its REALTOR® Members and REALTOR-ASSOCIATE® Members.
6. Whenever the term "Member Board" is used in this Constitution and Bylaws, it shall be held to include state associations elected under the terms of this section.

(C) Any state association so elected shall be entitled to one vote as such and to an additional vote for each of its Board Members upon the same basis as local boards for their Board Members under the provisions of Article IX of this Constitution.

SECTION 6. All Member Boards must comply with the minimum service criteria established by the Board of Directors.

Any Member Board that fails to satisfy the minimum service criteria may, after due notice and opportunity for hearing, be expelled by the Board of Directors from membership in the National Association.

Each State Association shall enforce the minimum service criteria for local Boards and Associations within the state. Any State Association which fails to enforce the minimum service criteria may, after due notice and



opportunity for hearing, be expelled by the Board of Directors from membership in the National Association.

SECTION 7. In areas of states where there is no state association having a membership agreement with the National Association, as provided in Section 4 of this Article, and where there is no Member Board, or which areas have not been designated as within the territorial jurisdiction of any Member Board, the Board of Directors may elect any individual engaged in the real estate business as a principal, partner or officer of a corporation as an individual Member. In the case of each application, the nearest Member Board shall be consulted. The rights, privileges and obligations of such Individual Members shall be the same as those of REALTOR® Members, each such Individual Member being a delegate to any meeting of the members of the National Association and entitled to one vote; but in the event of subsequent admission to membership of a local board or state association as a Member Board, such Individual Member shall thereafter be entitled to membership only by virtue of membership in such Member Board.

SECTION 8. (A) International Affiliate Organizations shall be associations in the real estate field outside of the United States, its insular possessions, and the commonwealth of Puerto Rico, with which the National Association enters into International Affiliate Agreements that provide for exchange representation and other mutual benefits, and for the adoption and enforcement by the International Affiliate Organization of a Code of Ethics approved by the National Association.

(B) In any country where the National Association has entered into an International Affiliate Agreement with a real estate organization, only those persons engaged in the real estate business in that country who have obtained membership in such Organization shall be eligible for International REALTOR® Membership in the National Association. Such International REALTOR® members may be licensed to use the term REALTOR® and other marks, but may not vote or hold office in the National Association.

(C) Persons engaged in the real estate business in any country where the National Association has not entered into an International Affiliate Agreement with a real estate organization in said country, or persons who are not eligible for membership in an International Affiliate Organization in any country where the National Association has an agreement with such an organization, shall be eligible for International Subscriber

membership in the National Association. Such International Subscriber members may neither be licensed to use the term REALTOR® or other marks, nor vote or hold office in the National Association.

SECTION 9. Individuals who have received the Distinguished Service Award shall be life members of the National Association and shall not pay National Convention registration fees.

SECTION 10. A REALTOR® Member who has held membership in the National Association as a REALTOR®, REALTOR-ASSOCIATE®, or both, for a cumulative period of fifty (50) years, upon certification by the Board of Directors shall be designated "REALTOR® EMERITUS." An individual who has been affiliated with a firm comprised of REALTOR® members for fifty (50) years or more, but who was ineligible for REALTOR® or REALTOR-ASSOCIATE® membership for any portion of that time on the basis of sex, national origin, marital status or other basis now prohibited by the Bylaws of the National Association shall be eligible for REALTOR® Emeritus status.

SECTION 11. Individuals employed by the national or regional organizational headquarters of a corporation engaged in real estate activities or activities allied with real estate and who may be licensed or unlicensed may be elected to National Affiliate Membership in the National Association, provided the individual does not personally provide real estate services to persons or entities other than the employing company. National Affiliate Members shall have such privileges, duties, and rights of membership, and shall pay such dues as determined by the Board of Directors, but shall not be entitled to vote, hold office or use the terms REALTOR® or REALTOR-ASSOCIATE®. National Affiliate Members shall be entitled to hold membership in the Institutes, Societies and Councils of the National Association, but if they desire to apply for or maintain a designation available through an Institute, Society or Council, they must hold a form of membership in the local board. If membership is not available in the local Board, the individual must hold membership in the State Association. If membership is not available through the State Association, the individual may apply for or maintain a designation from an Institute, Society or Council based on National Affiliate Membership.

**SUGGESTED
MODEL BYLAWS**

**STATE
ASSOCIATION OF REALTORS®**

MARCH 1994

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NOTICE

SELECTED UNIFORM PROVISIONS
OF MODEL BYLAWS
FOR RECOMMENDED VERBATIM ADOPTION
BY STATE ASSOCIATIONS

Member Boards* are requested, in accordance with policy approved May 8, 1979, by the Board of Directors, NATIONAL ASSOCIATION OF REALTORS®, to adopt and incorporate into their Board Bylaws, effective January 1, 1980, certain selected uniform provisions of the Model Bylaws recommended to Member Boards by the National Association as amended from time to time by the Board of Directors, NATIONAL ASSOCIATION OF REALTORS®. This requirement is to ensure unity of basic purposes and relationships among Boards. State Associations, and the National Association.

The selected provisions of local Board Bylaws for which verbatim adoption is required are as follows:

1. Article I, Name
2. Article II, Objects
3. Article III, Jurisdiction
4. Article VII, Professional Standards and Arbitration
5. Article VIII, Use of Terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE®
6. Article IX, State and National Membership
7. Article XV, Rules of Order
8. Article XVII, Dissolution

To be consistent with the stated purposes of such Articles in local Board Bylaws, it is recommended to State Associations that they adopt and incorporate into their respective State Association Bylaws wording of those Articles relating to the subjects of Articles for which verbatim adoption is required by local Member Boards. Thus, verbatim adoption of the following Articles of the Model Bylaws for State Associations is recommended:

1. Article 1, Name and Objects
2. Article XII, Professional Standards
3. Article XIII, Use of Terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE®
4. Article XV, Rules of Order
5. Article XVI, Dissolution

*As used herein the term "Board" refers to Boards and Associations

**BYLAWS
of the**

(name of state)

ASSOCIATION OF REALTORS® , INCORPORATED

(Adopted _____)
(date)

ARTICLE I
Name and Objects

Section 1. The name of this organization shall be: (state) _____

Association of REALTORS®, Incorporated, hereinafter referred to as the Association.

Section 2. The objects of this Association shall be to unite local Boards of REALTORS®, hereinafter referred to as Boards, their members, and REALTOR® and REALTOR-ASSOCIATE® Members in the State of _____, for the purpose of exerting effectively a combined influence upon matters affecting real estate, to elevate the standards of the real estate business throughout the state and the professional conduct of persons engaged therein.

ARTICLE II
Membership

Section 1. The members of this Association shall consist of seven classes: (1) Member Boards, (2) Board Members, (3) REALTOR® Members, (4) REALTOR-ASSOCIATE® Members, (5) Institute Affiliate Members, (6) Affiliate Members, and (7) Honorary Members.

Section 2. A Member Board shall be any Board within the State of _____, all the REALTOR® and REALTOR-ASSOCIATE® Members of which hold membership in this Association and in the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. A Board Member shall be any REALTOR®-or REALTOR-ASSOCIATE® Member of a Member Board as previously defined.

Section 4. A REALTOR® Member shall be any individual engaged in the real estate profession as a principal, partner, or officer of a corporation whose place of business is located in an area outside the jurisdiction of any Member Board and who holds REALTOR® Membership in this Association. The Board of Directors may establish procedures and standards whereby salespersons and licensed or certified appraisers affiliated with a REALTOR® Member may become REALTOR® Members of the Association.

Section 5. REALTOR-ASSOCIATE® Members 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. Salespersons or licensed or certified appraisers who are employed by or affiliated as independent contractors with a REALTOR® Member of this Association shall be eligible for REALTOR-ASSOCIATE® membership.

Section 6. Institute Affiliate members shall be individuals who hold a professional designation awarded by a qualified 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 vote or 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 membership. Individuals whose places of business are located in an area outside the jurisdiction of a Member Board of REALTORS® shall be eligible to apply for Institute Affiliate Membership in the State Association if they meet the requirements as specified above.

Section 7. Affiliate Members shall be real estate owners and other individuals or firms who are Affiliate Members of Member Boards.

Section 8. Honorary Members shall be individuals other than those engaged in the real estate business who have contributed notably to this Association.

ARTICLE III **Dues and Fees**

Section 1. The annual dues of each Member Board as defined in Article _____ of these Bylaws shall be an amount equal to (1) \$_____ times the number of REALTOR® and REALTOR-ASSOCIATE® Members who hold primary membership in the Board, plus (2) an amount equal to \$_____ times the number of real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with REALTOR® Members of the Board who are not themselves REALTOR® or REALTOR-ASSOCIATE® Members. In calculating the dues payable by a member Board, nonmembers, as defined in the preceding sentence, shall not be included in the computation of dues if dues have been paid in another Board in the State, provided the Board notifies the State Association in writing of the identity of the Board to which dues have been remitted.

Section 2. The annual dues of each REALTOR® Member actively engaged in the real estate business from areas not within the jurisdiction of a Member Board shall be (1) \$_____ plus an amount equal to (2) \$_____ times the number of real estate salespersons and licensed or certified appraisers who (a) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (b) are not REALTORS® or REALTOR-ASSOCIATE®s, provided however, that if two or more REALTORS® are principals of the same firm, partnership, or corporation, then only that REALTOR® designated from time to time in writing (the "designated" REALTOR®) by the firm, partnership, or corporation shall be required to pay that portion of the dues which is computed on the basis of the real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with such firm, partnership, or corporation, and the dues of the remaining REALTORS® who are principals of such firm, partnership, or corporation shall be _____.

Section 3. The annual dues of each REALTOR-ASSOCIATE® Member actively engaged in the real estate business from an area not within the jurisdiction of Member Boards shall be \$_____.

Section 4. The annual dues of each Institute Affiliate Member shall be \$_____.
(Note: The following may be adopted at the discretion of the State Association):

An annual fee in the amount of \$_____ shall be assessed to each member board times the number of Institute Affiliate members of the local board. This fee shall not exceed 40% of the amount established pursuant to Article II, Section 1(a) of the NAR Bylaws (presently \$25.00).

Section 5. Upon payment to the (_____) Association of REALTORS[®] of the dues required under Sections 1, 2, 3, and 4 of this Article, each REALTOR[®] and REALTOR-ASSOCIATE[®] Member of Member Boards within the State, and each REALTOR[®], REALTOR-ASSOCIATE[®] and Institute Affiliate Member from areas not within the jurisdiction of a Member Board within the state shall be deemed a REALTOR[®], REALTOR-ASSOCIATE[®] or Institute Affiliate Member, as the case may be, in good standing of the (_____) Association of REALTORS[®]. Upon payment of dues required under any other Sections of this Article, the individual making such payment shall be deemed a Member as designated in good standing of the (_____) Association of REALTORS[®].

Section 6. The annual dues of each Affiliate Member shall be \$ _____.

Section 7. In January of each year Member Board shall file with the (Name of State) Association of REALTORS[®], in such format as shall be determined by the _____ Association, a list of its REALTOR[®], REALTOR-ASSOCIATE[®] and Institute Affiliate Members and the real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with such REALTOR[®] Members, certified by the President and Secretary of the Board, and that Member Board shall pay dues for the current year on the basis of such list; provided, however, that adjustments shall be made each quarter for Members dropped or enrolled by the Member Board during the preceding quarter. On a quarterly basis, the Member Board shall report to the State Association the names and addresses of REALTOR[®], REALTOR-ASSOCIATE[®]s, and Institute Affiliate Members dropped or enrolled during the preceding quarter. Any Member Board or other Member delinquent in payment of dues by more than 90 days may be dropped from membership in the Association by the Board of Directors.

ARTICLE IV **Officers**

Section 1. The elective officers of the Association shall be a President, President-Elect, a Vice President from each district of the State, a Secretary and a Treasurer. In the absence of the President, the President-Elect shall perform his duties. All officers shall serve for one year or until their successors are elected and qualified and shall be ex officio members of the Board of Directors. The President shall not be eligible to serve a second successive term.

Section 2. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them respectively by the Board of Directors from time to time, and such as are required by law.

Section 3. The Treasurer shall provide a surety bond in such amount as the Board of Directors may determine, the cost to be paid by the Association.

Section 4. The Board of Directors may employ an Executive Vice President who shall be the chief administrative officer of the Association, who may be elected and serve as the elected Secretary, subject to the President and the Executive Committee, and who shall perform such other duties as may be delegated to him by the Board of Directors. He shall provide a surety bond in such amount as the Board of Directors may determine, the cost to be paid by the Association. The Executive Vice President, with the approval of the Board of Directors, may employ such other persons as may be necessary to conduct the activities of the Association.

Section 5. The Board of Directors may retain legal and other professional counsel and fix the terms of compensation thereof.

ARTICLE V
Board of Directors

Section 1. The government of the Association shall be vested in a Board of Directors, elected for terms of _____ year(s), consisting of the following: (1) the President of each Member Board during his term of office, (2) one Director for each _____ Board Members of major fraction thereof in each Member Board, (3) _____ *Past Presidents of the Association who continue their Membership in the Association, and (4) all elected officers of the Association.

(NOTE: Membership on the Board of Directors may be restricted to the Immediate Past President or expanded to include all Past Presidents still active in the Association.)

Section 2. Proposals for Directors to be elected from the REALTOR® Membership of the several Member Boards shall be sent to the Nominating Committee at least one month in advance of the date of the annual meetings.

Section 3. The Board of Directors shall administer the finances of the Association and shall have sole authority to appropriate money. The accounts of the Association shall be audited annually by a certified public accountant.

Section 4. The Board of Directors shall meet _____ times each year on the _____ of _____, at a place to be determined by it.

Section 5. There shall be an Executive Committee of the Board of Directors, (composed of the President, President-Elect, District Vice Presidents, Treasurer, and Secretary) or (composed of the President, Treasurer, and Secretary and _____ members of the Board of Directors appointed by the President, subject to the approval of the Board of Directors). This committee shall make recommendations to the Board of Directors, shall transact business of an emergency nature between meetings of the Board of Directors, and shall report such actions in full to the Board of Directors at its next meeting.

Section 6. Special meetings of the Board of Directors may be called at any time upon _____ days written notice by the President or by any _____ Directors.

Section 7. _____ Directors shall constitute a quorum of the Board of Directors.

ARTICLE VI
Meetings

Section 1. The Association shall hold an annual membership meeting in the month of _____, the time and place to be designated by the Board of Directors. The meeting shall be held at the time of the annual convention. Board Members and REALTOR® and REALTOR-ASSOCIATE® Members present at any meeting of this Association shall be delegates, entitled to participate in all discussions and deliberations.

Section 2. The Association shall hold annually a convention which shall be open to all members upon payment of a registration fee to be determined by the Board of Directors.

Section 3. The inaugural meeting of the Association shall be held in the month of _____, the time and place to be designated by the Board of Directors.

Section 4. Other meetings may be called by the Board of Directors. Any call for a meeting shall state the purpose, time and place of the meeting, and shall be issued in writing at least _____ days in advance.

Section 5. Presidents of _____ Member Boards, or their accredited alternates, shall constitute a quorum at any membership meeting or convention.

ARTICLE VII **Committees**

Section 1. The President, subject to the approval of the Board of Directors, shall appoint the following standing committees, the members of which shall serve for one year, or until their successors are appointed and qualified.

- | | | | |
|----|------------------------|----|-----------------------------------|
| a. | Bylaws | h. | REALTOR®-Public Relations |
| b. | Convention | i. | Legislation and Taxation |
| c. | Education | j. | REALTOR®-Lawyer |
| d. | Finance (or Budget) | k. | REALTOR® of the Year |
| e. | Membership | l. | Political Affairs |
| f. | Multiple Listing | m. | Equal Opportunity |
| g. | Professional Standards | n. | Real Estate Commissions Relations |

Section 2. The President, with the approval of the Board of Directors, may appoint such other committees as he deems advisable. The President shall be an ex officio member of all committees.

Section 3. Committees shall have such duties as their titles indicate, and as the Board of Directors may assign. All actions of committees shall be subject to the approval of the Board of Directors.

Section 4. The Past Presidents of the Association shall constitute an Advisory Committee which shall be available for consultation by the President or by other officers and by the Board of Directors.

ARTICLE VIII **Election of Officers**

Section 1. The election of officers and directors shall be held at the annual membership meeting of the Association.

Section 2. At a regular meeting of the Board of Directors, not less than two months before the annual membership meetings, the President, with the approval of the Board of Directors, shall appoint a Nominating Committee composed of one Board Member from each District, together with one alternate Member. The Immediate Past President of the Association shall serve ex officio as chairman with the right to vote in the event of a tie. The Nominating Committee shall name at least one candidate for each office and each vacancy on the Board of Directors. The report of the Nominating Committee shall be announced and conspicuously displayed at least 24 hours before the election is held. Additional nominations may be made from the floor at the annual membership meeting by any REALTOR® Member of the Association.

ARTICLE IX
Delegate Body

Section 1. Voting shall be by Member Boards whenever, at any membership meeting or convention of the Association, any delegate shall demand a division of the vote. Each Board shall be represented by the President or by another REALTOR® Member previously accredited who shall be entitled to cast one vote for each REALTOR® and REALTOR-ASSOCIATE® Member in such Board. The number of votes to which a Member Board shall be entitled shall be equal to the number of its Board Members on file with the Association on the first day of the month preceding the month in which the meeting is held.

Section 2. REALTOR® Members as defined in Article II, Section 4, of these Bylaws may vote in person at any meeting at which the Presidents of the Member Boards may vote.

ARTICLE X
Fiscal Year

Section 1. The fiscal year of the Association shall be the calendar year.

ARTICLE XI
Code of Ethics

Section 1. The Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® is adopted as the Code of Ethics of the 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.

ARTICLE XII
Professional Standards

Section 1. Allegations of ethical violations and controversies between REALTORS® may be submitted to an ethics or arbitration panel at the State Association level under the following circumstances:

- (a) Allegations of unethical conduct by a REALTOR® or REALTOR-ASSOCIATE® who is directly a member of the State Association and not a member of any local Board.
- (b) Allegations of unethical conduct by a REALTOR® or REALTOR-ASSOCIATE® in the instance in which the local Board, because of size or other valid reason, determines that it cannot provide a due process hearing of the matter and petitions the State Association to conduct a hearing.
- (c) Controversies between REALTORS® who are not members of the same Board where the matter has been referred to the State Association by both local Boards.
- (d) Controversies between REALTORS® who are directly members of the State Association and are not members of any Board.
- (e) Controversies between a REALTOR® who does not hold membership in any Board, but is directly a member of the State Association, and a REALTOR® who is a member of a Board.

- (f) Controversies between REALTOR[®] Members of the same Board where the Board with good and sufficient reason is unable to arbitrate the controversy. (Explanation: This provision is not designed to relieve a local Board of its primary responsibility to resolve differences arising between members of the same Board. The section recognizes that in some Boards with limited membership, usual arbitration procedures may be impossible.)

Section 2. Professional Standards hearings and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the (state) _____ Association of REALTORS[®], as from time to time amended, which by this reference is made a part of these Bylaws.

ARTICLE XIII
Use of the Terms REALTOR[®], REALTORS[®]
and REALTOR-ASSOCIATE[®]

Section 1. Use the terms REALTOR[®], REALTORS[®], or 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. The State Association shall have authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS[®], use of the terms within those areas of (state) _____ not within the jurisdiction of a Member Board.

Section 2. REALTOR[®] Members of the State Association shall have the privilege of using the terms REALTOR[®] and REALTORS[®] in connection with their business 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[®] or REALTORS[®] only if all the principals of such firm, partnership or corporation who are actively engaged in the real estate profession within the state are REALTOR[®] or Institute Affiliate Members.

Section 4. REALTOR-ASSOCIATE Members of the State 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 or by whom they are employed is also a REALTOR[®] Member in good standing.

Section 5. An Institute Affiliate Member shall not use the terms REALTOR[®], REALTORS[®], or REALTOR-ASSOCIATE[®] and shall not use the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS[®].

ARTICLE XIV
Districts

Section 1. The Board of Directors shall, for administrative purposes, divide the state into Districts. A vice president shall be elected from each of the Districts.

ARTICLE XV
Rules of Order

Section 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing all meetings and conferences when not in conflict with the Bylaws of the Association.

ARTICLE XVI
Amendments

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

NOTE: If the Association desires, it may adopt the following language for amending the Bylaws. State Associations should consult with legal counsel prior to adoption of this language to determine if this procedure is consistent with applicable state law.

Section 1. These Bylaws may be amended by the majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 2. Amendments to these Bylaws affecting the admission or qualifications of REALTOR®, REALTOR-ASSOCIATE, and Institute Affiliate Members, the use of the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® or any alteration in the territorial jurisdiction of a Board shall become effective upon the approval of the Board of Directors of the National Association.

ARTICLE XVII
Dissolution

Section 1. Upon the dissolution or winding up of the affairs of the Association, the Board of Directors, after providing for payment of all obligations, shall distribute any remaining assets to _____ or, within its discretion, to any other nonprofit, tax-exempt organization.

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NATIONAL ASSOCIATION OF REALTORS®
430 NORTH MICHIGAN AVENUE, CHICAGO, IL 60611

Form No. 111-816-1 (3/94)

**1995 MODEL BYLAWS FOR
LOCAL MEMBER BOARDS AND
ASSOCIATIONS**

The Model Bylaws for Local Member Boards and Associations will not be republished for 1995 due to the lack of substantive changes from the May, 1994 versions. Instead, we ask that Boards and Associations refer to the following amendments and incorporate them into the May 1994 versions to reflect the current membership policies of the NATIONAL ASSOCIATION OF REALTORS®.

The following revisions are for both Model Bylaws with ALL REALTOR® Membership and Model Bylaws with REALTOR® and REALTOR-ASSOCIATE®.

Article IV, Section 1(A)(4): Change the reference to "Article 14 of the Code of Ethics" to "Article 17 of the Code of Ethics."

Article V, Section 1(A): Change the reference to "Article 14 of the Code of Ethics" to "Article 17 of the Code of Ethics."

Article VII, Section 1, NOTE 1: Change the reference to "Section 28 of the Code of Ethics and Arbitration Manual" to "Section 44 of the Code of Ethics and Arbitration Manual."

Article VII, Section 2: Change the reference to "Article 14 of the Code of Ethics" to "Article 17 of the Code of Ethics."

Article XVIII, Section 3(a) and Article XVIII (ALTERNATE), Section 4(a): The following provision may be adopted at the Boards discretion to allow for non-member access to the MLS:

"(Optional Provision)

A non-member applicant for MLS Participation who is a principal, partner, corporate officer or branch office manager acting on behalf of a principal, shall supply evidence satisfactory to the Membership Committee that he has a place of business within the jurisdiction of the _____ Board/Association of REALTORS®, or a Board/Association of REALTORS® contiguous thereto; has no record of recent or pending bankruptcy; has no record of official sanctions involving unprofessional conduct; agrees to complete a course of instruction (if any) covering the MLS Rules and Regulations, and shall pass such reasonable and non-discriminatory written examination thereon as may be required by the MLS; and shall agree that if elected as a Participant, he will

(OVER)

abide by such Rules and Regulations and pay the MLS fees and dues, including the non-member differential (if any), as from time to time established. Under no circumstances is any individual or firm entitled to MLS Participation or Membership unless they hold a current, valid real estate brokers license and are capable of offering and accepting cooperation and compensation to and from other Participants, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey Participation or Membership or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law.

(NOTE: The requirements of (1) an office within the Board's/Association's jurisdiction or a Board/Association contiguous thereto; (2) no record of recent or pending bankruptcy; and (3) no record of official sanctions involving unprofessional conduct; may be deleted from this Section at the option of each Board/Association. Moreover, any limitations or restrictions imposed on Participation or Membership shall be no more stringent than permissible under the National Association's Membership Qualification Criteria.")

NOTICE TO MEMBER BOARDS
CONCERNING
SELECTED UNIFORM PROVISIONS
OF MODEL BYLAWS
TO BE ADOPTED VERBATIM
BY MEMBER BOARDS

Member Boards are requested, in accordance with policy approved May 8, 1979, by the Board of Directors, NATIONAL ASSOCIATION OF REALTORS®, to adopt and incorporate into their Board Bylaws, effective January 1, 1980, certain selected uniform provisions of the Model Bylaws recommended to Member Boards by the National Association as amended from time to time by the Board of Directors, NATIONAL ASSOCIATION OF REALTORS®. This requirement is to ensure unity of basic purposes and relationships among Boards, State Associations, and the National Association. It is recommended that Member Boards adopt verbatim, or nearly verbatim, with review and advice of Board legal counsel, the Model Bylaws recommended by the National Association. However, if a Board elects to adopt Bylaws other than the Model Bylaws, it is required that the Board adopt verbatim and incorporate into its Bylaws the following named Articles of the Model Bylaws recommended by the National Association as amended from time to time.

1. Article I, Name
2. Article II, Objectives
3. Article III, Jurisdiction
4. Article VII, Professional Standards and Arbitration
5. Article VIII, Use of Terms REALTOR® and REALTORS®
6. Article IX, State and National Membership
7. Article XV, Rules of Order
8. Article XVII, Dissolution

1994 NATIONAL ASSOCIATION OF REALTORS®
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INTRODUCTION

These Bylaws are designed as a guide to Boards of REALTORS® in the adoption of suitable Bylaws. After filling the blanks, many Boards will find it feasible to adopt this model as written. Other Boards will find it worthwhile to amend their present Bylaws by adopting the Model with minor variations in light of local conditions. It is important to note that various sections of the Model Bylaws offer two or more options from which Boards can select, and the Board must clearly indicate which option has been adopted.

All Boards are urged to compare their present documents with the Model Bylaws to ensure that they include all the important policies contained therein. Especially important to the successful conduct of Board affairs are the following Articles:

- Article II: Objectives. If the Board is incorporated or intends to incorporate, its Corporate Charter should repeat verbatim the objectives contained in this Article, since the tax exempt status of a Board depends to a substantial degree upon the objectives set in its Bylaws and Corporate Charter.
- Article IV: Membership.
- Article V: Qualification and Election. Procedure for election to membership as outlined avoids unreasonable and restrictive practices.
- Article VII: Professional Standards.
- Article X: Dues.
- Article XVII: Dissolution.

For ease of reference, all amended provisions are shaded to highlight additions. Questions concerning the Model Board Bylaws may be referred to NAR's Member Policy Department at 312-329-8399.

BYLAWS OF THE

_____ Board of REALTORS®, Incorporated

(Adopted _____)
(date)

ARTICLE I - NAME

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. Name. The name of this organization shall be the _____
Board of REALTORS®, Incorporated, hereinafter
referred to as the "Board."

Section 2. REALTORS®. Inclusion and retention of the Registered Collective
Membership Mark REALTORS® in the name of the Board shall be governed by the
Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to
time amended.

ARTICLE II - OBJECTIVES

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

The objectives of the Board 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 _____ Association of
(State Association)
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, individuals
authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and
controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III - JURISDICTION

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. The territorial jurisdiction of the Board as a Member of the NATIONAL ASSOCIATION OF REALTORS® is:

(Include exact jurisdiction description as officially approved by the Board of Directors of the National Association. Continue description on addendum if required.)

Section 2. Territorial jurisdiction is defined to mean:

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

ARTICLE IV - MEMBERSHIP

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

(a) REALTOR® Members. REALTOR® Members, whether primary or secondary shall be:

(1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, or financing, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of _____ 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 shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership in a Board of REALTORS® within the state unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV. (*)

NOTE: REALTOR® Members may obtain membership in a "secondary" Board in another state.

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, 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 the Board 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. One of the principals in a real estate firm must be a Designated REALTOR® member of the Board in order for licensees affiliated with the firm to select the Board as their "primary" Board.

(4) 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 14 of the Code of Ethics and the payment of Board dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

(b) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation awarded by a qualified 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 vote or 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 membership.

(c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Board.

The following may be adopted at the discretion of the board/association (provided it is not in conflict with the state association's Bylaws):

"Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the board, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property."

(d) 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.

(e) 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 Board, or for the public.

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

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 applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Board, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Board, State and National Associations, and if a REALTOR® Member will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 14 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Board, 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 Board 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.

OPTION #1

For Boards that maintain a license requirement for REALTOR® Membership

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state (unless a secondary member), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, 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 Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. (*)

OPTION #2

For Boards that do not maintain a license requirement for REALTOR® Membership

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he is actively engaged in the real estate profession, has a place of business within the state (unless a secondary member); has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, 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 Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics. (*)

(*) **NO RECENT OR PENDING BANKRUPTCY** is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, or corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Board establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Board and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the Board may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities, and (4) findings of violations of the REALTORS® Code of Ethics resulting in suspension or expulsion from any Member Board/Association in which applicant is or was a Member.

NOTE: One or more of the requirements for REALTOR® Membership set forth in Article V, Section 2(a) may be deleted at the Board's option. However, Boards may **NOT** adopt membership qualifications more rigorous than specified in the 7-Point Membership Qualification Criteria for REALTOR® Membership approved by the Board of Directors of the National Association nor more rigorous than the 6-Point Membership Qualification Criteria for REALTORS® other than principals.

OPTION #1

For Boards that maintain a license requirement for REALTOR® Membership

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, 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 the Board or a Designated REALTOR® Member of another Board (if a secondary member) and 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 the Board, 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 examinations thereon as may be required by the committee and shall agree in writing that if elected to membership he will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the constitution, Bylaws, and Rules and Regulations of the local Board, State Association, and the National Association.

OPTION #2

For Boards that do not maintain a license requirement for REALTOR® Membership

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, 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 the Board or a Designated REALTOR® Member of another Board (if a secondary member), shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, 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 examinations thereon as may be required by the Committee, and shall agree in writing that if elected to membership he will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Board, State Association, and the National Association.

(c) An applicant for Institute Affiliate Membership shall supply to the Membership Committee evidence that applicant holds a professional designation awarded by a qualified Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or who otherwise holds a class of membership in such Institute, Society or Council that confers the right to vote or hold office and shall agree, if elected to membership, to abide by the Constitution, Bylaws and Rules and Regulations of the local Board, the State Association, and the National Association.

Section 3. Election.

The procedure for election to membership shall be as follows:

(a) The Membership Committee shall determine whether the applicant is applying for the appropriate class of membership. It shall then give written notice to the REALTOR® Members of such application and invite written comment. If one or more of the REALTOR® Members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Committee shall invite any objecting Member to appear and substantiate his objections. Objections which are not substantiated shall be totally disregarded. The Committee may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting Member, and (2) giving the applicant a full opportunity to appear before the Committee and establish his qualifications. The Committee shall thereafter make a written report of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Board.

(b) Thereafter, within _____ days, the Membership Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is adverse to the approval of the application, the reasons shall be specifically stated. If any member of the Membership Committee submits a dissenting recommendation, it shall also be reported to the Board of Directors.

(c) The Board of Directors shall review the qualifications of the applicant and the recommendations of the Committee and then vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he shall be declared elected to membership and shall be advised by written notice. An application for Institute Affiliate Membership shall be acted upon by the Board of Directors within forty-five (45) days from the date of application for membership.

(d) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings and recommendations of the Membership Committee, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements as he 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.

(e) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Secretary. 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 Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

Section 4. Status Changes.

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

NOTE: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Board's Bylaws.

(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 OBLIGATIONS

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

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

REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation 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 nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Board, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® 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 Board, 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 any Member submitting the resignation is indebted to the Board for dues, fees, fines, or other assessments of the Board or any of its services, departments, divisions, or subsidiaries, the Board 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 Board with an ethics complaint or arbitration request pending, the Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he will submit to the pending ethics or arbitration proceeding and will abide by the decision of the hearing panel; or if the Member resigns without having complied with an award in arbitration, the Board of Directors may condition any reapplication of the former Member upon his promise to pay the award, plus any costs that have previously been established as due and payable by the former Member, provided that the award has not, in the meanwhile, been otherwise satisfied.

Section 6. REALTOR® Members. 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 the Board; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Board and the real estate profession.

OPTION #1

(a) If a REALTOR® Member is a principal in a firm, partnership, or corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or

unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, 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. (*)

OPTION #2

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Board by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in the Board. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, whichever may apply.

If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected. (**)

(*) (**) NOTE: Concerning Article VI, Section 6 (a), Boards are advised to select one rule from the two alternatives. The Board may wish to consult with Board Legal Counsel prior to adoption.

(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® 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) shall apply.

Section 7. Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

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

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

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

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

Section 12. Certification by REALTOR®. "Designated" REALTOR® Members of the Board shall certify to the Board during the month of _____ on a form provided by the Board, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary Board 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 based on said non-member licensees, the Designated REALTOR® shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Board of any additional individual(s) licensed or certified with the firm(s) within _____ days of the date of affiliation or severance of the individual.

(Note: The following may be adopted at the discretion of the Board:)

Section 13. Legal Liability Training. Within two years of the date of election to membership, and every two years thereafter, each REALTOR® Member of the Board shall be required to demonstrate that they have completed a course of instruction on anti-trust laws, agency laws, civil rights laws or the REALTOR® Code of Ethics, its interpretation and meaning and/or the procedures related to its enforcement.

This requirement will be considered satisfied upon presentation of evidence that the member has completed an educational program conducted by another Member Board, the State Association of REALTOR®, the NATIONAL ASSOCIATION OF REALTOR® or any of its affiliated institutes, societies or councils, or any other recognized educational institution which, in the opinion of the Board of Directors, is an adequate substitute for the training programs conducted by the Board.

Failure to satisfy this requirement biennially will result in membership being suspended from the date it otherwise would be renewed until such time that the member provides evidence of completion of the aforementioned educational requirements.

Note: Any education requirement must comply with Interpretation No. 37 of Article I, Section 2, Bylaws, NATIONAL ASSOCIATION OF REALTOR®.

(Note: The following may be adopted at the discretion of the Board:)

Section 14. Sexual Harassment. "Any member of the board may be reprimanded, placed on probation, suspended or expelled for sexual harassment of a board or MLS employee after a hearing in accordance with the established procedures of the board. 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 counsel for the board. 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 sexual harassment are available from the Member Policy Department.)

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. The responsibility of the Board and of Board 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 Board, as from time to time amended, which by this reference is made a part of these Bylaws. (*)

(*)NOTE 1: It is recommended that Member Boards adopt the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, and as adapted to be consistent with applicable state law. While Member Boards are not required to adopt the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS® verbatim, any procedures adopted must be substantively consistent with the policies set forth in that Manual. (e.g., Arbitration must be conducted within the parameters established by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS®, and as specified in Section 28 of the Code of Ethics and Arbitration Manual of the National Association, provided the procedures are consistent with state law.)

NOTE 2: If the Board adapts to comply with state law, and adopts and incorporates into their Bylaws the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as recommended, Article VII may be worded as follows:

"The responsibility of the Board and of Board 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 amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law."

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Board to abide by the Constitution and Bylaws and the Rules and Regulations of the Board, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 14 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 Board as from time to time amended.

**ARTICLE VIII - USE OF THE TERMS
REALTOR® AND REALTORS®**

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Board shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction.

Section 2. REALTOR® Members of the Board shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business ~~within the state~~ 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~~ are REALTOR® Members of the Board or Institute Affiliate Members as described in Section 1(b) of Article IV.

Section 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. The Board shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the _____ of REALTORS®. By _____ (State Association) reason of the Board's Membership, each REALTOR® Member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the _____ of REALTORS® without further payment of _____ (State Association) dues. (*) The Board 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.

(*)NOTE: If the State Association does not adopt, and incorporate into its Bylaws, DUES similar to Article II, Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, this sentence should read:

"By reason of the Board's Membership, each REALTOR® Member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® without further payment of dues and upon payment of dues as established by the _____ of REALTORS® to membership in the (State Association) State Association."

Section 2. The Board recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Board shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. The Board adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Board and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the _____ of REALTORS®.
(State Association)

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 the Board upon final approval of the application. ~~The Board of Directors may adopt an application fee for Institute Affiliate Membership not in excess of the annual dues for Institute Affiliate Members.~~

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

(a) **REALTOR® Members.** The annual dues of each Designated REALTOR® Member shall be \$ _____ plus an amount equal to \$ _____ times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Board in the state or Institute Affiliate Members of the Board. In calculating the dues payable to the Board 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 DR has paid dues based on said non-member licensees in another Board in the state, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted.

(1) For the purpose of this Section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place or places of business within the state and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in soliciting and/or referring clients or customers to the REALTOR® or his firm on a substantially exclusive basis provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity.

(b) The annual dues of REALTOR® Members other than the Designated REALTOR® shall be \$_____.(**)

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be \$_____.(**)

CAVEAT: Dues for Institute Affiliate Members of a local Board may not exceed two and one-half times the amount established pursuant to Article II, Section 1(a) of the National Association's Bylaws for REALTOR® Members.

(d) Affiliate Members. The annual dues of each Affiliate Member shall be \$_____.(**)

(e) Public Service Members. The annual dues of each Public Service Member shall be \$_____.(**)

(f) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors.(**)

(g) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors.(**)

(*)NOTE 1: If a Board desires, it may stipulate dues requirements without a stated dollar amount in the following manner:

EXAMPLE FOR REALTOR® MEMBERSHIP: "The annual dues of each designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and

(2) are not REALTOR® Members of any Board in the state or Institute Affiliate Members of the Board. In calculating the dues payable to the Board 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 DR has paid dues based on said non-member licensees in another Board in the state, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted.

(**) EXAMPLE FOR OTHER CATEGORIES OF MEMBERSHIP: "The dues of each _____ Member shall be in such amount as established annually by the Board of Directors."

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance on the first day of _____. Dues shall be computed from the first day of the quarter in which a Member is notified of election and shall be prorated for the remainder of the year.

(a) In the event a sales licensee ~~or licensed or certified appraiser~~ who holds REALTOR® membership is dropped for nonpayment of Board dues, and the individual remains with the designated REALTOR®'s firm, the dues obligation of the "designated" REALTOR® (as set forth in Article X, Section 2, a) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Board or the Board's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his 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 the Board or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposit. All monies received by the Board for any purpose shall be deposited to the credit of the Board in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures. The Board of Directors shall administer the day to day finances of the Board. Capital expenditures in excess of \$ _____ may not be made unless authorized by _____% of the Board Members eligible to vote.

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 Board or Board Multiple Listing Service shall be noticed to the delinquent Board Member in writing setting forth the amount owed and due date.

Section 8. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

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

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Board shall be: a President, a Vice President, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person. They shall be elected for terms of one year.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Secretary to keep the records of the Board and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the _____

(State Association)

of REALTORS®.

Section 3. Board of Directors. The governing body of the Board shall be a Board of Directors consisting of the elected officers and _____ REALTOR® Members of the Board. Directors shall be elected to serve for terms of three years, except that at organization, one-third of the elected Directors shall be elected for terms of one, two, and three years, respectively, or for lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many Directors shall be elected each year as are required to fill vacancies.

Section 4. Election of Officers and Directors.

(a) At least two (2) months before the annual election, a Nominating Committee of _____ REALTOR® Members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select one candidate for each office and one candidate for each place to be filled on the Board of Directors. The report of the Nominating Committee shall be mailed to each Member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least _____% of the REALTOR® Members eligible to vote. The petition shall be filed with the Secretary at least two (2) weeks before the election. The Secretary shall send notice of such additional nominations to all Members eligible to vote before the election.

(b) The election of Officers and Directors shall take place at the annual meeting. Election shall be by ballot and all votes shall be cast in person. The ballot shall contain the names of all candidates and the offices for which they are nominated.

(c) The President, with the approval of the Board of Directors, shall appoint an Election Committee of _____ REALTOR® Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.

Section 5. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election.

Section 6. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third 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 service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Board shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.

(c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Board unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

ARTICLE XII - MEETINGS

Section 1. Annual Meetings. The annual meeting of the Board shall be held during _____ of each year, the date, place, and (Month) hour to be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from three regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation.

Section 3. Other Meetings. Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least _____% of the Members eligible to vote.

Section 4. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business shall consist of _____% of the Members eligible to vote.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, the following standing committees:

Professional Standards	Legislative	Public Relations
Membership Program	REALTOR® Protection	Education
Finance	Grievance	Equal Opportunity

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

Section 3. 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.

Section 4. President. The President shall be an ex-officio member of all standing committees and shall be notified of their meetings.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1. The fiscal and elective year of the Board shall be _____ to _____.

ARTICLE XV - RULES OF ORDER

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Board, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI - AMENDMENTS

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

NOTE: If the board/association desires, it may adopt the following language for amending the Bylaws. Boards/Associations should consult with legal counsel prior to adoption of this language to determine if this procedure is consistent with applicable state law.

Section 1. These Bylaws may be amended by the majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed to every member eligible to vote at least one (1) week prior to the meeting.

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

Board shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVII - DISSOLUTION

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. Upon the dissolution or winding up of affairs of this Board, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the _____

(State Association)

of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVIII - MULTIPLE LISTING

Multiple Listing Service Operated as a Committee of the Board

Section 1. Authority. The Board of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be subject to the Bylaws of the Board of REALTORS® and such Rules and Regulations as may be hereinafter adopted.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of cooperation and compensation to other Participants (acting either as subagents, buyer agents, or both); by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals and other valuations of real property; by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information among the Participants so that they may better serve their clients and the public.

Section 3. Participation. Any REALTOR® Member of this or any other Board who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "Membership" or "Participation" unless they hold a current, valid real estate broker's license and are capable of offering and accepting cooperation and compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are

prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed or published by a Board Multiple Listing Service where access to such information is prohibited by law. (*) (See NOTE at bottom of Page 26)

Section 4. Supervision. The activity shall be operated under the supervision of the Multiple Listing Committee, in accordance with the Rules and Regulations, subject to approval of the Board of Directors.

Section 5. Appointment of Committee. The President shall appoint, subject to the confirmation of the Board of Directors, a Multiple Listing Committee of _____ Members. All members of the Committee shall be Participants in Multiple Listing except, at the option of the local Board, REALTORS® or REALTOR-ASSOCIATE®s affiliated with Participants may be appointed to serve in such numbers as determined by the local Board. The Committee Members so named shall serve two-year terms. The Committee shall select its Chairman from among the members thereof. (The Chairman may be designated by the President.)

Section 6. Vacancies. Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7. Attendance. Any Committee Member who fails to attend three (3) consecutive regular or special meetings of the Committee, without excuse acceptable to the Chairman of the Committee, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointees.

Section 8. Access to Comparable and Statistical Information. Board Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Board Members and individuals affiliated with Board Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations. Board members who receive such information, either as a Board service or through the Board's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

ARTICLE XVIII - MULTIPLE LISTING (ALTERNATE)

Multiple Listing Service Operated as a Separate Corporation Wholly-Owned by the Board

Section 1. Authority. The Board of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the state of _____, all the stock of which shall be owned by the Board of REALTORS®.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of cooperation and compensation to other Participants (acting either as subagents, buyer agents, or both); by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals and other valuations of real property; by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information among the Participants so that they may better serve their clients and the public.

Section 3. Governing Documents. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its Corporate Charter, Constitution, Bylaws, Rules, Regulations, and Policies, Practices, and Procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Participation. Any REALTOR® Member of this or any other Board who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "Membership" or "Participation" unless they hold a current, valid real estate broker's license and are capable of offering and accepting cooperation and compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed or published by a Board Multiple Listing Service where access to such information is prohibited by law. (*) (See NOTE at conclusion of this Article.)

Section 5. Access to Comparable and Statistical Information. Board Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold"

information, and statistical reports. This information is provided for the exclusive use of Board Members and individuals affiliated with Board Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations. Board members who receive such information, either as a Board service or through the Board's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

(*)NOTE: Generally, Boards of REALTORS®, when there is more than one principal in a real estate firm, define the chief principal officer of the firm as the MLS "Participant." Brokers or salespersons other than principals are not considered "Participants" in the Service, but have access to and use of the Service through the principal(s) with whom they are affiliated.

NOTICE TO MEMBER BOARDS

CONCERNING

**SELECTED UNIFORM PROVISIONS
OF MODEL BYLAWS
TO BE ADOPTED VERBATIM
BY MEMBER BOARDS**

Member Boards are requested, in accordance with policy approved May 8, 1979, by the Board of Directors, NATIONAL ASSOCIATION OF REALTORS®, to adopt and incorporate into their Board Bylaws, effective January 1, 1980, certain selected uniform provisions of the Model Bylaws recommended to Member Boards by the National Association as amended from time to time by the Board of Directors, NATIONAL ASSOCIATION OF REALTORS®. This requirement is to ensure unity of basic purposes and relationships among Boards, State Associations, and the National Association. It is recommended that Member Boards adopt verbatim, or nearly verbatim, with review and advice of Board legal counsel, the Model Bylaws recommended by the National Association. However, if a Board elects to adopt Bylaws other than the Model Bylaws, it is required that the Board adopt verbatim and incorporate into its Bylaws the following named Articles of the Model Bylaws recommended by the National Association as amended from time to time.

1. Article I, Name
2. Article II, Objectives
3. Article III, Jurisdiction
4. Article VII, Professional Standards and Arbitration
5. Article VIII, Use of Terms REALTOR®, REALTORS®,
and REALTOR-ASSOCIATE®
6. Article IX, State and National Membership
7. Article XV, Rules of Order
8. Article XVII, Dissolution

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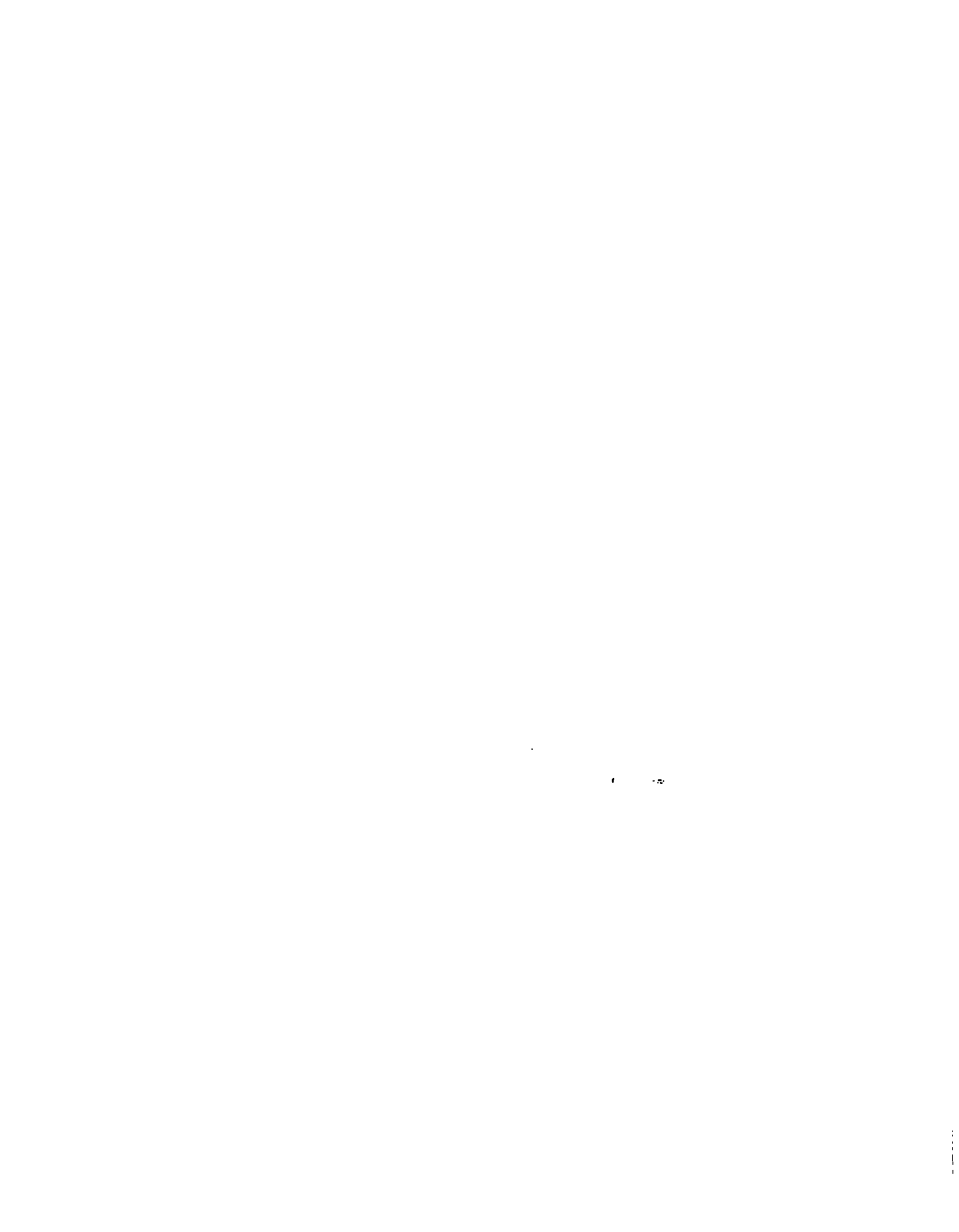
INTRODUCTION

These Bylaws are designed as a guide to Boards of REALTORS® in the adoption of suitable Bylaws. After filling the blanks, many Boards will find it feasible to adopt this model as written. Other Boards will find it worthwhile to amend their present Bylaws by adopting the Model with minor variations in light of local conditions. It is important to note that various sections of the Model Bylaws offer two or more options from which Boards can select, and the Board must clearly indicate which option has been adopted.

All Boards are urged to compare their present documents with the Model Bylaws to ensure that they include all the important policies contained therein. Especially important to the successful conduct of Board affairs are the following Articles:

- Article II:** Objectives. If the Board is incorporated or intends to incorporate, its Corporate Charter should repeat verbatim the objectives contained in this Article, since the tax exempt status of a Board depends to a substantial degree upon the objectives set in its Bylaws and Corporate Charter.
- Article IV:** Membership.
- Article V:** Qualification and Election. Procedure for election to membership as outlined avoids unreasonable and restrictive practices.
- Article VII:** Professional Standards.
- Article X:** Dues.
- Article XVII:** Dissolution.

For ease of reference, all amended provisions are shaded to highlight additions. Questions concerning the Model Board Bylaws may be referred to NAR's Member Policy Department at 312/329-8399.



BYLAWS OF THE

_____ Board of REALTORS®, Incorporated

(Adopted _____)
(date)

ARTICLE I - NAME

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. Name. The name of this organization shall be the _____
_____ Board of REALTORS®, Incorporated, hereinafter
referred to as the "Board."

Section 2. REALTORS®. Inclusion and retention of the Registered Collective
Membership Mark REALTORS® in the name of the Board shall be governed by the
Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to
time amended.

ARTICLE II - OBJECTIVES

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

The objectives of the Board 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 _____ and the NATIONAL
(State Association)
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 individuals authorized to use the terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III - JURISDICTION

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. The territorial jurisdiction of the Board as a Member of the NATIONAL ASSOCIATION OF REALTORS® is:

(Include exact jurisdiction description as officially approved by the Board of Directors of the National Association. Continue description on addendum if required.)

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 Board agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV - MEMBERSHIP

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

(a) **REALTOR® Members.** REALTOR® Members, whether primary or secondary shall be:

(1) Individuals 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, or financing, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of _____ . 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 shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership in a Board of REALTORS® within the state 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 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 the Board 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. One of the principals in a real estate firm must be a Designated REALTOR® member of the Board in order for licensees affiliated with the firm to select the Board as their "primary" Board.

(4) 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 14 of the Code of Ethics and the payment of Board dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

(b) REALTOR-ASSOCIATE® Members. REALTOR-ASSOCIATE® Members 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(b). 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.

(c) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation award by a qualified 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 vote or 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) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a), (b) or (c) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Board.

The following may be adopted at the discretion of the board/association (provided it is not in conflict with the state association's Bylaws):

"Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® or REALTOR-ASSOCIATE® membership in the board, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property."

(e) 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.

(f) 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 Board, or for the public.

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

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 applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Board, State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and the Rules and Regulations of the Board, State and National Associations, and if a REALTOR®, REALTOR-ASSOCIATE® or Nonresident Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 14 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Board, 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 Board 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.

OPTION #1

For Boards that maintain a license requirement for REALTOR® Membership

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, or corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state (unless a secondary member), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, 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 Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. (*)

OPTION #2

For Boards that do not maintain a license requirement for REALTOR® Membership

Section 2. Qualification

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, or corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he is actively engaged in the real estate profession, has a place of business within the state (unless a secondary member), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, 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 Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics. (*)

(*) NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the Board may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities, and (4) findings of violations of the REALTORS® Code of Ethics resulting in suspension or expulsion from any Member Board/Association in which applicant is or was a Member.

NO RECENT OR PENDING BANKRUPTCY is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, or corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Board establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Board and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

NOTE: One or more of the requirements for REALTOR® Membership set forth in Article V, Section 2(a) may be deleted at the Board's option. However, Boards may NOT adopt membership qualifications more rigorous than specified in the 7-Point Membership Qualification Criteria for REALTOR® Membership approved by the Board of Directors of the National Association nor more rigorous than the 6-Point Membership Qualification Criteria for REALTORS® other than principals or REALTOR-ASSOCIATE®s.

OPTION #1

For Boards that maintain a license requirement for REALTOR® Membership

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, 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 the Board or a Designated REALTOR® Member of another Board (if a secondary member) and 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 the Board, 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 examinations thereon as may be required by the committee and shall agree in writing that if elected to membership he will abide by the Code of Ethics of the

NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Board, State Association, and the National Association.

OPTION #2

For Boards that do not maintain a license requirement for REALTOR® Membership

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, 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 the Board or a Designated REALTOR® Member of another Board (if a secondary member), shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, 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 examinations thereon as may be required by the Committee, and shall agree in writing that if elected to membership he will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Board, State Association, and the National Association.

OPTION #1

For Boards that maintain a license requirement for REALTOR-ASSOCIATE® Membership

(c) An applicant for REALTOR-ASSOCIATE® Membership shall supply evidence to the Membership Committee that he 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 the Board, 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 examinations thereon as may be required by the Committee, and shall agree in writing that if elected to membership, he will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws and Rules and Regulations of the local Board, the State Association, and the National Association.

OPTION #2

For Boards that do not maintain a license requirement for REALTOR-ASSOCIATE® Membership

(c) An applicant for REALTOR-ASSOCIATE® Membership shall supply evidence to the Membership Committee that he is actively engaged in the real estate

profession and is employed by a REALTOR® or affiliated with a REALTOR® as an independent contractor, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, 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 examinations thereon as may be required by the Committee, and shall agree in writing that if elected to membership, he will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws and Rules and Regulations of the local Board, the State Association, and the National Association.

(d) An applicant for Institute Affiliate Membership shall supply to the Membership Committee evidence that applicant holds a professional designation awarded by a qualified Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or who otherwise holds a class of membership in such Institute, Society or Council that confers the right to vote or hold office and shall agree, if elected to membership, to abide by the Constitution, Bylaws and Rules and Regulations of the local Board, the State Association, and the National Association.

Section 3. Election.

The procedure for election to membership shall be as follows:

(a) The Membership Committee shall determine whether the applicant is applying for the appropriate class of membership. It shall then give written notice to the REALTOR® Members of such application and invite written comment. If one or more of the REALTOR® Members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Committee shall invite any objecting Member to appear and substantiate his objections. Objections which are not substantiated shall be totally disregarded. The Committee may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting Member, and (2) giving the applicant a full opportunity to appear before the Committee and establish his qualifications. The Committee shall thereafter make a written report of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Board.

(b) Thereafter, within _____ days, the Membership Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is adverse to the approval of the application, the reasons shall be specifically stated. If any member of the Membership Committee submits a dissenting recommendation, it shall also be reported to the Board of Directors.

(c) The Board of Directors shall review the qualifications of the applicant and the recommendations of the Committee and then vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he shall be declared elected to membership and shall be advised by written notice. An application for Institute Affiliate Membership shall be acted upon by the Board of Directors within forty-five (45) days from the date of application for membership.

(d) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings and recommendations of the Membership Committee, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements as he 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.

(e) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Secretary. 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 Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

Section 4. Status Changes.

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

NOTE: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Board's Bylaws.

(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 OBLIGATIONS

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

Section 2. Any Member of the Board may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Board Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Board. Although Members other than REALTOR® and REALTOR-ASSOCIATE®s are not subject to the Code of Ethics nor its enforcement by the Board, 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 REALTOR® and REALTOR-ASSOCIATE®s 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 nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, or REALTOR-ASSOCIATE®s and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Board, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® or REALTOR-ASSOCIATE® 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 Board, 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 any Member submitting the resignation is indebted to the Board for dues, fees, fines, or other assessments of the Board or any of its services, departments, divisions, or subsidiaries, the Board 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 Board with an ethics complaint or arbitration request pending, the Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he will submit to the pending ethics or arbitration proceeding and will abide by the decision of the hearing panel; or if the Member resigns without having complied with an award in arbitration, the Board of Directors may condition any reapplication of the former Member upon his promise to pay the award, plus any costs that have previously been established as due and payable by the former Member, provided that the award has not, in the meanwhile, been otherwise satisfied.

Section 6. REALTOR® Members. 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 the Board, may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Board and the real estate profession.

OPTION #1

(a) If a REALTOR® Member is a principal in a firm, partnership, or corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, 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. (*)

OPTION #2

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTOR® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply.

Removal of an individual from any form or degree of management control must be certified to the Board by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in the Board. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or

affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, whichever may apply.

If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected. (**)

(*) (**) NOTE: Concerning Article VI, Section 6 (a), Boards are advised to select one rule from the two alternatives. The Board may wish to consult with Board Legal Counsel prior to adoption.

(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 Board except the right to use the terms REALTOR® and REALTORS®, to vote, or to hold elective office in the Board. (*)

(*)NOTE: Boards may, at their option, authorize REALTOR-ASSOCIATE® Members to vote or to hold one or more of the Board elective offices.

(b) REALTOR-ASSOCIATE® Members shall promote the interests and welfare of the Board and the real estate profession.

(c) REALTOR-ASSOCIATE® Members shall maintain and promote the same high standards of ethical conduct in their real estate business as is required of REALTOR® Members.

OPTION #1

(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 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 connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, whichever may apply. (*)

OPTION #2

(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 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 management control is relinquished, or unless the REALTOR-ASSOCIATE® Member elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, whichever may apply. (**)

(*) (**) NOTE: Concerning Article VI, Section 7 (d), the Board should adopt one rule from the two alternatives, consistent with the Board's election in Article VI, Section 6 (d).

Section 8. Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

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

Section 10. Public Service Members. Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 11. Honorary Members. Honorary Membership shall confer only the right to attend meetings and participate in discussions.

Section 12. Student Members. Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 13. Certification by REALTOR®. "Designated" REALTOR® Members of the Board shall certify to the Board during the month of _____

(First Month
_____, on a form provided by the Board, a complete listing of
of Fiscal Year)

all individuals licensed or certified with the REALTOR®'s office(s) and shall designate a primary Board 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 based on said non-member licensees, the Designated REALTOR® shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Board of any additional individual(s) licensed or certified with the firm(s) within _____ days of the date of affiliation or severance of
(30 days Recommended)
the individual.

(Note: The following may be adopted at the discretion of the Board:)

Section 15. Legal Liability Training. Within two years of the date of election to membership, and every two years thereafter, each REALTOR® and REALTOR-ASSOCIATE® Member of the Board shall be required to demonstrate that they have completed a course of instruction on anti-trust laws, agency laws, civil rights laws or the REALTORS® Code of Ethics, its interpretation and meaning and/or the procedures related to its enforcement.

This requirement will be considered satisfied upon presentation of evidence that the member has completed an educational program conducted by another Member Board, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS® or any of its affiliated institutes, societies or councils, or any other recognized educational institution which, in the opinion of the Board of Directors, is an adequate substitute for the training programs conducted by the Board.

Failure to satisfy this requirement biennially will result in membership being suspended from the date it otherwise would be renewed until such time that the member provides evidence of completion of the aforementioned educational requirements.

Note: Any education requirement must comply with Interpretation No. 37 of Article I, Section 2, Bylaws, NATIONAL ASSOCIATION OF REALTORS®.

(Note: The following may be adopted at the discretion of the Board:)

Section 16. Sexual Harassment. "Any member of the board may be reprimanded, placed on probation, suspended or expelled for sexual harassment of a board or MLS employee after a hearing in accordance with the established procedures of the board. 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 counsel for the board. 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 sexual harassment are available from the Member Policy Department.)

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. The responsibility of the Board and of Board 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 Board, as

from time to time amended, which by this reference is made a part of these Bylaws. (*)

(*)NOTE 1: It is recommended that Member Boards adopt the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, and as adapted to be consistent with applicable state law. While Member Boards are not required to adopt the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS® verbatim, any procedures adopted must be substantively consistent with the policies set forth in that Manual. (e.g., Arbitration must be conducted within the parameters established by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS®, and as specified in Section 28 of the Code of Ethics and Arbitration Manual of the National Association, provided the procedures are consistent with state law.)

NOTE 2: If the Board adapts to comply with state law, and adopts and incorporates into their Bylaws the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as recommended, Article VII may be worded as follows:

"The responsibility of the Board and of Board 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 amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law."

Section 2. It shall be the duty and responsibility of every REALTOR® and REALTOR-ASSOCIATE® Member of this Board to abide by the Constitution and Bylaws and the Rules and Regulations of the Board, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 14 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 Board as from time to time amended.

ARTICLE VIII - USE OF THE TERMS
REALTOR®, REALTORS®, AND REALTOR-ASSOCIATE®

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

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. The Board shall have the

authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction.

Section 2. REALTOR® Members of the Board shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state 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 are REALTOR® Members of the Board.

Section 4. REALTOR-ASSOCIATE® Members of the Board 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 terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. The Board shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the _____ of REALTORS®. By _____ (State Association) reason of the Board's Membership, each REALTOR® and REALTOR-ASSOCIATE® Member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the _____ of _____ (State Association) REALTORS® without further payment of dues. (*) The Board 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.

(*)NOTE: If the State Association does not adopt, and incorporate into its Bylaws, DUES similar to Article II, Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, this sentence should read:

"By reason of the Board's Membership, each REALTOR® and REALTOR-ASSOCIATE® Member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® without further payment of dues and upon payment of dues as established by the _____ (State Association) of REALTORS® to membership in the State Association."

Section 2. The Board recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE®. The Board shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. The Board 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 Board and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the _____ of REALTORS®.
(State Association)

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 the Board upon final approval of the application. The Board of Directors may adopt an application fee for Institute Affiliate Membership not in excess of the annual dues for Institute Affiliate Members.

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

(a) **REALTOR® Members.** The annual dues of each REALTOR® Member shall be \$ _____ plus an amount equal to \$ _____ times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTORS® or REALTOR-ASSOCIATE® Members of any Board in the state or Institute Affiliate Members of the Board. In calculating the dues payable to the Board 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 DR has paid dues based on said non-member licensees in another Board in the state, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted.

(1) For the purpose of this Section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place or places of business within the state and who, as a principal, partner, or corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in soliciting and/or referring clients or customers to the REALTOR® or his firm on a substantially exclusive basis provided that such

licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity.

(b) The annual dues of REALTOR® Members other than the Designated REALTOR® shall be \$_____. (**)

(c) REALTOR-ASSOCIATE® Members. The annual dues of each REALTOR-ASSOCIATE® Member shall be \$_____. (*)

(d) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be \$_____. (**)

CAVEAT: Dues for Institute Affiliate Members of a local Board may not exceed two and one-half times the amount established pursuant to Article II, Section 1(a) of the National Association's Bylaws for REALTOR® Members.

(e) Affiliate Members. The annual dues of each Affiliate Member shall be \$_____. (**)

(f) Public Service Members. The annual dues of each Public Service Member shall be \$_____. (**)

(g) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors. (**)

(h) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors. (**)

(*)NOTE 1: If a Board desires, it may stipulate dues requirements without a stated dollar amount in the following manner:

EXAMPLE FOR REALTOR® MEMBERSHIP: "The dues of each REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® and (2) are not REALTOR® or REALTOR-ASSOCIATE® Members of any Board in the State or Institute Affiliate Members of the Board. In calculating the dues payable to the Board 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 DR has paid dues based on said non-member licensees in another Board in the state, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted.

(**) EXAMPLE FOR OTHER CATEGORIES OF MEMBERSHIP: "The dues of each _____ Member shall be in such amount as established annually by the Board of Directors."

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance on the first day of _____. Dues shall be computed from the first day of the quarter in which a Member is notified of election and shall be prorated for the remainder of the year.

(a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® or REALTOR-ASSOCIATE membership is dropped for nonpayment of Board dues, and the licensee remains with the designated REALTOR®'s firm, the dues obligation of the "designated" REALTOR® (as set forth in Article X, Section 2. a) will be increased to reflect the addition of a non-Member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Board or the Board's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his 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 the Board or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposit. All monies received by the Board for any purpose shall be deposited to the credit of the Board in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures. The Board of Directors shall administer the day to day finances of the Board. Capital expenditures in excess of \$_____ may not be made unless authorized by _____% of the Board Members eligible to vote.

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 Board or Board Multiple Listing Service shall be noticed to the delinquent Board Member in writing setting forth the amount owed and due date.

Section 8. The dues of REALTOR® or REALTOR-ASSOCIATE® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors. (*)

(*) NOTE: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the Board is assessed for a REALTOR® or REALTOR-ASSOCIATE® Member, times the number of REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® or REALTOR-ASSOCIATE® Members of the Board. The dues obligation of such individuals to the local Board should be reduced to reflect the reduction in the Board's dues obligation to the National Association. The Board may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Board's obligation to the State Association with respect to such individuals. Member Boards should determine whether the dues payable by the Board to the State Association are reduced with respect to such individuals.

It should be noted that this does not affect a "designated" REALTOR®'s dues obligation to the Board with respect to those licensees employed by or affiliated with the "designated" REALTOR® who are not themselves Members of the local Board.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Board shall be: a President, a Vice President, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person. They shall be elected for terms of one year.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Secretary to keep the records of the Board and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the _____
(State Association)
of REALTORS®.

Section 3. Board of Directors. The governing body of the Board shall be a Board of Directors consisting of the elected officers and _____ REALTOR® Members of the Board. Directors shall be elected to serve for terms of three years, except that at organization, one-third of the elected Directors shall be elected for terms of one, two, and three years, respectively, or for lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many Directors shall be elected each year as are required to fill vacancies.

Section 4. Election of Officers and Directors.

(a) At least two (2) months before the annual election, a Nominating Committee of _____ REALTOR® Members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select one candidate for each office and one candidate for each place to be filled on the Board of Directors. The report of the Nominating Committee shall be mailed

to each Member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least _____% of the REALTOR® Members eligible to vote. The petition shall be filed with the Secretary at least two (2) weeks before the election. The Secretary shall send notice of such additional nominations to all Members eligible to vote before the election.

(b) The election of Officers and Directors shall take place at the annual meeting. Election shall be by ballot and all votes shall be cast in person. The ballot shall contain the names of all candidates and the offices for which they are nominated.

(c) The President, with the approval of the Board of Directors, shall appoint an Election Committee of _____ REALTOR® Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.

Section 5. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election.

Section 6. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third 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 service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Board shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.

(c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Board unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

ARTICLE XII - MEETINGS

Section 1. Annual Meetings. The annual meeting of the Board shall be held during _____ of each year, the date, place, and
(Month)
hour to be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from three regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation.

Section 3. Other Meetings. Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least _____% of the Members eligible to vote.

Section 4. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business shall consist of _____% of the Members eligible to vote.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the REALTOR® and REALTOR-ASSOCIATE® Members, subject to confirmation by the Board of Directors, the following standing committees:

Professional Standards	Legislative	Public Relations
Membership Program	REALTOR® Protection	Education
Finance	Grievance	Equal Opportunity

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

Section 3. 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.

Section 4. President. The President shall be an ex-officio member of all standing committees and shall be notified of their meetings.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1. The fiscal and elective year of the Board shall be _____ to _____.

ARTICLE XV - RULES OF ORDER

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Board, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI - AMENDMENTS

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

NOTE: If the board/association desires, it may adopt the following language for amending the Bylaws. Boards/Associations should consult with legal counsel prior to adoption of this language to determine if this procedure is consistent with applicable state law.

Section 1. These Bylaws may be amended by the majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed to every Member eligible to vote at least one (1) week prior to the meeting.

Section 3. 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 Board shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVII - DISSOLUTION

(REQUIRES VERBATIM ADOPTION BY MEMBER BOARDS - SEE INSIDE FRONT COVER)

Section 1. Upon the dissolution or winding up of affairs of this Board, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the _____
(State Association)
of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVIII - MULTIPLE LISTING

Multiple Listing Service Operated as a Committee of the Board

Section 1. Authority. The Board of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be subject to the Bylaws of the Board of REALTORS® and such Rules and Regulations as may be hereinafter adopted.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of cooperation and compensation to other Participants (acting either as subagents, buyer agents, or both); by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals and other valuations of real property; by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information among the Participants so that they may better serve their clients and the public.

Section 3. Participation. Any REALTOR® Member of ~~this or any other~~ Board who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "Membership" or "Participation" unless they hold a current, valid real estate broker's license and are capable of offering and accepting cooperation and compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed or published by a Board Multiple Listing Service where access to such information is prohibited by law. (*) (See NOTE at bottom of Page 27)

Section 4. Supervision. The activity shall be operated under the supervision of the Multiple Listing Committee, in accordance with the Rules and Regulations, subject to approval of the Board of Directors.

Section 5. Appointment of Committee. The President shall appoint, subject to the confirmation of the Board of Directors, a Multiple Listing Committee of _____ Members. All members of the Committee shall be Participants in Multiple Listing except, at the option of the local Board, REALTORS® or REALTOR-ASSOCIATE®s affiliated with Participants may be appointed to serve in such numbers as determined by the local Board. The Committee Members so named shall serve two-year terms. The Committee shall select its Chairman from among the members thereof. (The Chairman may be designated by the President.)

Section 6. Vacancies. Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7. Attendance. Any Committee Member who fails to attend three (3) consecutive regular or special meetings of the Committee, without excuse acceptable to the Chairman of the Committee, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointees.

Section 8. Access to Comparable and Statistical Information. Board Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Board Members and individuals affiliated with Board Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations. Board members who receive such information, either as a Board service or through the Board's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

ARTICLE XVIII - MULTIPLE LISTING (ALTERNATE)

Multiple Listing Service Operated as a Separate Corporation Wholly-Owned by the Board.

Section 1. Authority. The Board of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the state of _____, all the stock of which shall be owned by the Board of REALTORS®.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of cooperation and compensation to other Participants (acting either as subagents, buyer agents, or

both); by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals and other valuations of real property; by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information among the Participants so that they may better serve their clients and the public.

Section 3. Governing Documents. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its Corporate Charter, Constitution, Bylaws, Rules, Regulations, and Policies, Practices, and Procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Participation. Any REALTOR® Member of this or any other Board who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "Membership" or "Participation" unless they hold a current, valid real estate broker's license and are capable of offering and accepting cooperation and compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed or published by a Board Multiple Listing Service where access to such information is prohibited by law. (*) (See NOTE at conclusion of this Article.)

Section 5. Access to Comparable and Statistical Information. Board Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Board Members and individuals affiliated with Board Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations. Board members who receive such information, either as a Board service or through the Board's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

(*)NOTE:

Generally, Boards of REALTORS®, when there is more than one principal in a real estate firm, define the chief principal officer of the firm as the MLS "Participant." Brokers or salespersons other than principals are not considered "Participants" in the Service, but have access to and use of the Service through the principal(s) with whom they are affiliated.