

# TENTH AMENDED AND RESTATED BYLAWS OF ST. PAUL AREA ASSOCIATION OF REALTORS<sup>®</sup>, INC.

EFFECTIVE APRIL 1, 2011  
Amended March 2013  
Amended October 2016  
Amended January 2017  
Amended September 2017  
Amended December 2018  
Amended December 2019  
Amended November 2020  
Amended February 2022  
Amended August 2024

These Tenth Amended and Restated Bylaws shall replace, in their entirety, all prior Bylaws of the St. Paul Area Association of REALTORS<sup>®</sup>, Inc. upon the adopted effective date set forth below.

## **Article I — Name**

Section 1. Name. The name of this organization shall be the St. Paul Area Association of REALTORS<sup>®</sup>, Inc. ("Association").

Section 2. REALTORS<sup>®</sup>. Inclusion and retention of the Registered Collective Membership Mark REALTORS<sup>®</sup> in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup> ("NAR" or "National Association") as from time to time amended.

## **Article II — Objectives**

The objectives of the Association are:

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

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of NAR.

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 Minnesota Association of REALTORS® (“State Association”) and NAR, 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 NAR.

### **Article III — Jurisdiction**

Section 1. The territorial jurisdiction of the Association as a member of NAR is: all of Ramsey, Washington, Chisago, Anoka, Isanti, Rice, Pine and Dakota Counties in Minnesota, Goodhue County (except for the area lying south of Goodhue County Rd. 9 and from the Wabasha County line, running West to Hwy 52, south on 52 to Hwy 57, south on 57 to the Dodge County line), and the Townships of Bridgewater and Northfield in Rice County, plus the Cities of Elk River and Big Lake in Sherburne County, all of Mille Lacs County south of State Highway 27 and all of Kanabec County south of State Highway 23, including the cities of Mora and Ogilvie all in the State of Minnesota.

Section 2. Territorial jurisdiction is defined to mean:

The right and duty to control the use of the terms REALTOR® and REALTORS® are subject to the conditions set forth in these Bylaws and those of NAR in return for which the Association agrees to protect and safeguard the property right 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 in a partnership, corporate officers, directors or shareholders in a corporation, limited liability company members, managers or governors, or through any other legally recognized entity in the State of Minnesota, are actively engaged in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Minnesota or a state contiguous thereto. All persons who, as sole proprietors, partners in a partnership, corporate offers, directors or shareholders in a corporation, limited liability company members, managers or governors, or through any other legally recognized entity in the State of Minnesota, are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® membership only, and each is required to hold

REALTOR® membership (except as provided in the following paragraph) in an association of REALTORS® within the state or a state contiguous thereto, unless otherwise qualified for Institute Affiliate membership, as described in Section I(b) of Article IV.

In the case of a real estate limited liability company, partnership, corporation, or otherwise recognized business entity in the State of Minnesota whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate membership, as described in Section I(b) of Article IV.

(2) Individuals who are engaged in the real estate profession, meet the qualifications set out in Article V and are not included within (1) above.

(3) Franchise REALTOR® membership. Corporate officers or their equivalent in a partnership, limited liability company or other legal entity (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in NAR's Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges, and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to association-mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in a local association, state association, and National Association.

(4) Primary and Secondary REALTOR® members. An individual is a primary member if the Association pays State and National dues based on such member. An individual is a secondary member if state and National dues are remitted through another association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" association.

(5) Designated REALTOR® members. Each entity (or office in the case of entities with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The Designated REALTOR® must be a sole proprietor, partner in a partnership, corporate officer in a corporation, manager or governor in a limited liability company, or branch office manager acting on behalf of an

entity's principal(s), and must meet all other qualifications for REALTOR® membership established in Article V, Section 2 of the Bylaws.

(b) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with NAR that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

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

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 Association, 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 Association, or for the public.

(f) Office Staff Members. Office Staff members shall be individuals who are employed by REALTOR® members or brokers and/or managers to carry out the administrative functions necessary to the daily maintenance of real estate office practices, procedures and services, but who are not eligible for Association membership under any of the other six classes of membership as defined in Article IV. While not engaged in the real estate profession as described in paragraph (a) of this section, these members have interests requiring information concerning the Association, and are in sympathy with its' objectives.

Retired REALTORS®. Individuals who have been licensed as a real estate broker, salesperson, or appraiser and who have been licensed for a period of not less than 20 years and who has voluntarily surrendered such license while in good standing and who as attained the age of 65 years, and provided the member does not participate in the real estate business or business opportunity transaction shall be eligible for Retired REALTOR® membership. Retired REALTOR® members shall have such rights and privileges as determined by the Board of Directors.

## **Article V -- Qualification and Election**

### **Section 1. Application**

An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (a) that applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of NAR, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations and, if a REALTOR® member, will abide by the Code of Ethics of NAR including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of NAR, as from time to time amended, and (b) that applicant consents that the Association, through its Executive Committee, dedicated staff person or otherwise, may invite and receive information and comment about applicant from any member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

### **Section 2. Qualification**

(a) An applicant for REALTOR® membership who is an individual who, as a sole proprietor, a partner in a partnership, corporate officer, director or shareholder in a corporation, limited liability company members, managers or governors, or through any other legally recognized entity in the State of Minnesota, or branch-manager of a real estate entity shall supply evidence satisfactory to the Association, through its membership committee or otherwise, that he/she 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 or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy has no record of official sanctions involving unprofessional conduct agrees to complete an orientation course of instruction and shall pass such reasonable and nondiscriminatory written examination thereon, as may be required (applicants in good standing transferring from another REALTOR® association are not required to attend such a course), and shall agree that if elected to membership, he/she will abide by the Bylaws of the Association, the Constitution and Bylaws of NAR, Rules and Regulations, and 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, partner in a partnership, corporate officer in a corporation, manager or governor in a limited liability company, 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 Association 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 Association and Regional Multiple Listing Service of Minnesota, Inc. ("RMLS") 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 Association may only consider:

- A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities
- B. criminal convictions if (1) the crime was punishable by death or imprisonment more than one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date

Note: Article V, Section 2, of NAR's Bylaws prohibits member associations from knowingly granting REALTOR® membership to an applicant who has an unfulfilled sanction pending which was imposed by another board or association.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners in a partnership, corporate officers in a corporation, managers or governors in a limited liability company, 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 Association or a Designated REALTOR® member of another association (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, has no record of official sanctions involving unprofessional conduct, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of NAR, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required.

Applicants in good standing transferring from another REALTOR® association are not required to attend such a course, and shall agree in writing that if elected to membership he/she will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

(c) The Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:

1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years;
2. Pending ethics complaints (or hearings);
3. Unsatisfied discipline pending;
4. Pending arbitration requests (or hearings);
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association multiple listing service ("MLS"); or
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association, except for violations of the Code of Ethics, see Article V, Section 2(a), provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the Association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the Association to which the applicant has made application) and will abide by the decision of the hearing panel.

### Section 3. Election

The procedure for election to membership shall be as follows.

- (a) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable Association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the Association's Bylaws, or, if the individual does not satisfy all of the requirements of membership including completion of a mandatory

orientation program within 90 (ninety) days from the Association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues shall be computed from the date of application and shall be non-refundable.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the chief staff executive. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

#### Section 4. New Member Code of Ethics Orientation

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

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

Orientation programs must meet the learning objectives and minimum criteria established from time to time by NAR.

#### Section 5. Continuing Member Code of Ethics Training

SPAAR shall provide and ensure NAR Code of Ethics compliance consistent with current NAR policy. Each REALTOR® member of the Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has



completed a course of instruction conducted by this or another association, the State Association, NAR, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by NAR from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation shall not be required to complete additional ethics training until a new-cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed.

Failure to meet the required cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

#### Section 6. Status Changes

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

A REALTOR® who is transferring his/her license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 30 (thirty) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

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

(b) Dues shall be prorated monthly 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 Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors of the Association or a tribunal of the State Association acting on behalf of the Board of Directors of the State Association for a violation of these Bylaws and Association Rules and Regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of NAR. Although members other than REALTORS® are not subject to the Code of Ethics, nor its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of NAR 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 Association, the State Association, and NAR.

Section 3. Any REALTOR® member of the Association may be disciplined by a tribunal of the State Association 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 NAR, including failure to pay an arbitration award, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of NAR 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 by the Chief Executive Officer or its designee in writing, provided, however, that if any member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the Association with respect to disposition of the complaint is final by this Association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR® the complaint, once filed, shall be processed until the decision of the Association with respect to disposition of the

complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

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

(b) Each member authorizes the Association to disclose to other REALTOR® associations upon request, the credit history of the member as shown in the records of the Association and any records of disciplinary action taken by the Board of Directors of the Association or of the State Association.

Section 6. REALTOR® members. Primary or Secondary REALTOR® members in good standing are entitled to vote and to hold elective office in the Association; and may use the term REALTOR®. For the purpose of this section, the term, "good standing," means the member satisfies the "Obligations of REALTOR® members," is current with all financial and disciplinary obligations to the Association and RMLS, has completed any new member requirements, and complies with NAR's trademark rules.

(a) If a REALTOR® member is a sole proprietor, a partner in a partnership, an officer in a corporation, a manager or governor in a limited liability company or in a related position in a business entity recognized in the State of Minnesota is suspended or expelled, the partnership, corporation, limited liability company or other recognized business entity in the State of Minnesota 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 partnership, corporation, limited liability company, or other business entity is severed, whichever may apply. The membership of all other principals, partners, officers, managers, governors or similar positions in other business entities 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, corporation, limited liability company or other business entity 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, corporation, limited liability company, or other business entity is severed, or unless the REALTOR® member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the Association, whichever may apply.

If a REALTOR® member who is other than a principal in a firm, partnership, corporation, limited liability company or other business entity is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, corporation, limited liability company or other business entity shall not be affected.

(b) In any action taken against a REALTOR® member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS® 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.

(c) Designated REALTORS® shall refer to a member who is a principal, partner, corporate officer, limited liability company manager or governor or office manager in the real estate entity. The Association shall be notified of said individual. The Designated REALTOR® may change from time to time. Written notification must be provided to the Association within ten (10) days of any change in Designated REALTOR®. The Designated REALTOR® shall act on behalf of the partnership, corporation, limited liability company or other business entity with respect to communications, representation in arbitration matters and records concerning dues payment and membership.

(d) The real estate practice of REALTOR® members and of firms, partnerships, corporations, limited liability companies or other business entities with which a REALTOR® member is associated shall be conducted in compliance with the Bylaws, Rules and Regulations and Professional Standards of the Association which pertain to the conduct of real estate practice and in full accord with the Constitution and Bylaws, and the Code of Ethics of NAR.

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 NAR.

No Institute Affiliate member shall be granted the right to use the term REALTOR® or the REALTOR® logo; to serve as President of the Association; or to be a participant in the RMLS.

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

Section 9. Office Staff Members. Office Staff 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, but not to vote.

Section 12. Certification by REALTOR®. Designated REALTOR® members of the Association shall certify to the Association as required on a form provided by the Association and returned to the Association within 15 days of receipt, a complete listing of all individuals licensed or certified in the REALTOR's® office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR's® office(s) and if Designated REALTOR® dues have been paid to another association based on said non-member licensees, the Designated REALTOR® shall identify the association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of the individual.

Section 13. Harassment. Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or RMLS employee or Association officer or Director after an investigation in accordance with the procedures of the Association. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, libel, slander unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-Elect and/or Vice President and one member of the Board of Directors selected by the highest-ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the Association's Code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest-ranking officer not named in the complaint.

Section 14. It shall be the duty and responsibility of every REALTOR® member of this Association and members other than REALTORS® to abide by the published Forms Use Policy of the State Association. Violators may be subject to discipline as described in Article VI, Section 2.

## **Article VII — Professional Standards and Arbitration**

Section 1. The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the organization and procedures incident thereto shall be carried out by the State Association and shall be governed by the Code of Ethics and Arbitration Manual of NAR as from time to time amended, which by this reference is made a part of these Bylaws provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR® member of this Association to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members must also abide by the governing documents and the policies of the Association, the State Association, and NAR as well as by the Code of Ethics of NAR, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of NAR. Every REALTOR® member shall maintain a high level of integrity and adhere to the Association's membership criteria. Any violent actor threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership.

Section 3. The responsibility of the Association and Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the Cooperative Professional Standards Enforcement Agreement entered into by the Association and the State Association which by this reference is made a part of these Bylaws.

#### **Article VIII — Use of the Terms REALTOR® and REALTORS®**

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 NAR and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with NAR, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual.

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

Section 3.

(a) A REALTOR® member who is a principal of a real estate partnership, corporation, limited liability company or other business entity may use the terms REALTOR® and REALTORS® only if all the principals of such partnership, corporation, limited liability company or other business entity who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® members of the Association or Institute Affiliate members, as described in Section 1(b) of Article IV.

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

Section 4. Institute Affiliate, Affiliate, Public Service, Honorary, Office Staff and Retired members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of NAR.

### **Article IX — State and National Memberships**

Section 1. The Association shall be a member of NAR and the State Association by reason of the Association's membership, each REALTOR® member of the Member Board shall be entitled to membership in NAR and the State Association without further payment of dues. The Association shall continue as a member of the State and National Associations, unless by a majority vote of all of its REALTOR® members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership. The decision to withdraw from NAR or the State Association shall be made by vote taken at the annual meeting or a special meeting of the membership duly called in advance in accordance with Article XII hereof, or alternatively, at the discretion of the Board of Directors by mail or electronic ballot. Only REALTOR® members in good standing shall be entitled to vote. In the event a decision to withdraw is made, notice shall be given to NAR at least 30 (thirty) days prior to such withdrawal. Dues collected by the Association for NAR shall be submitted directly to NAR.

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

Section 3. The Association adopts the Code of Ethics of NAR and agrees to enforce the Code among its REALTOR® members. The Association and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the State Association.

### **Article X — Dues, Fees and Finances**

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® membership in a reasonable amount, not exceeding three (3) times the amount of the annual

dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership and which shall become the property of the Association and is nonrefundable.

Applicants will be given ninety (90) days from the date of application to attend the Association sponsored Orientation program. Any applicant who does not attend the Association sponsored orientation program in a timely manner shall have Association services suspended until such time the Orientation requirement is fulfilled.

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 in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in the state or a state contiguous thereto or Institute Affiliate members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the association to which dues have been remitted. In the case of a Designated REALTOR® member in a partnership, corporation, limited liability company or other business entity whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

For the purpose of this section, a REALTOR® member of a member association shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a partner, corporate officer, manager, governor or similar position in another business entity is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of NAR. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2(a)(1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the partner, corporate officer, manager, governor or branch office manager of the entity.



A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the Association on a form approved by the Association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling, or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the Designated REALTOR®. The exemption for any licensee included on the certification form shall automatically be revoked upon the individual becoming engaged in licensed real estate activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall become payable. Membership dues shall be prorated for any licensee included on a certification form submitted to the Association who during the same calendar year applies for REALTOR® membership in the Association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is terminated for nonpayment of Association 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 thirty (30) days of the notice of termination.

- (b) REALTOR® Members. The annual dues of REALTOR® members other than the Designated REALTOR® shall be in such amount as established annually by the Board of Directors.
- (c) Institute Affiliate Members. The annual dues of each Institute Affiliate member shall be as established in Article of the Bylaws of NAR.
- (d) Affiliate Members. The annual dues of each Affiliate member shall be in such amount as established annually by the Board of Directors.
- (e) Public Service Members. The annual dues of each Public Service member shall be in such amount as established annually by the Board of Directors.
- (f) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

Section 3. Dues Payable. Dues for all members shall be payable annually in accordance with procedures established by the Board of Directors for the succeeding year. Dues for new members shall be computed from the date of application and granting of provisional membership and shall be prorated for the remainder of the year. The Board of Directors may implement alternative payment plans for dues provided such plans are uniformly available to all members.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, transfer fees, or other assessments including amounts owed to the Association or RMLS 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/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions, or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposits and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

Section 6. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or RMLS shall be noticed to the delinquent association member in writing setting forth the amount owed and due date.

Section 7. 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.

## **Article XI — Officers and Directors**

Section 1. Officers. The elected officers of the Association shall be: the President, a President-Elect, the Treasurer, and the Immediate Past President, each of whom must be a REALTOR® member. The Board of Directors shall appoint, and the Association shall employ a Chief Executive Officer, or "CEO," who also shall serve as corporate secretary of the Association and who shall not be a voting member of the Board of Directors or the Executive Committee. The President-Elect would normally be elected President of the Association the following year. However, the Board of Directors is not absolutely bound by this policy. Officers shall be elected for a term 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 Chief Executive Officer to keep the records of the Association and to carry on all necessary correspondence with NAR and the State Association.

### Section 3. Board of Directors.

(a) The governing body of the Association shall be a Board of Directors, comprised of the following, each of whom shall be a REALTOR® member: the President, President-Elect, Treasurer, Immediate Past President, nine (9) Directors elected at large by the membership; and one REALTOR® member in good standing appointed by the President, a representative of the Association serving on the RMLS Board of Directors and appointed by the President, and the Chairpersons of the standing committees. The Chairpersons of each of these Committees, the representative of the RMLS and the Director by Presidential appointment shall each serve a term of one (1) year. The nine (9) Directors elected at large by the membership shall each serve terms of three (3) years. The terms of the Directors elected at large shall be staggered so that no more than three (3) of the nine (9) at large Directors are elected each year.

(b) Additional REALTOR® members may be appointed by the President with the approval of the Board of Directors, in order to facilitate Board mergers or consolidations.

### Section 4. Qualifications, Nomination and Election of Directors.

(a) General. Nominating Committee. The President, with the approval of the Board of Directors, shall appoint a Nominating Committee consisting of the President, the President-Elect, and the Immediate Past President, who shall serve as Chair of the Nominating Committee, two (2) current Directors, and five (5) members who have past Association involvement. On May 1, the Nominating Committee shall notify the membership either in writing or electronically regarding "Calls for Nominations" and may select additional candidates. A quorum for the Nominating Committee meetings, shall consist of six (6) members.

The Nominating Committee shall recommend at least one (1) candidate for each Director vacancy to be voted on by the REALTOR® members and shall screen and interview all potential candidates for each open Director position.

(b) Candidate Qualifications. All candidates must have been a member of the Association for one year prior to the date of nomination and must be a REALTOR® member in good standing with no ethics violations within the past year. Candidates must complete an application form and return it to the Nominating Committee.

(c) Committee Report. The report of the Nominating Committee shall be delivered either electronically or by mail to the Board of Directors on or before August 1 for review. The Board of Directors shall have ten (10) days to provide comments, if any on the report. If comments are made, the Chair of the Nominating Committee shall call a special meeting of the Nominating Committee to consider comments made by Board members prior to sending the final list of recommended candidates to the general membership. The comments by the Board of Directors shall be taken into consideration but are not binding upon the Nominating Committee. On or before September 1, the final report of the Nominating Committee shall be delivered either

electronically or by mail to each REALTOR® member. Additional candidates may be nominated by petition signed by at least seventy-five (75) REALTOR® members no later than September 15. Any nominations so made, shall be added to the list of nominees selected by the Nominating Committee and all such nominees shall appear on the ballot to be voted on by the REALTOR® members in accordance with the section below pertaining to Director Election Procedures.

(d) Other Positions. The President, with the approval of the Board of Directors, shall appoint representatives to the Board of Directors of the State Association and NAR and representatives to serve on the Board of Directors of the RMLS.

(e) Director Election Procedure. Voting shall be by ballot. Ballots shall list each at large candidate recommended and indicated as recommended by the Nominating Committee in alphabetical order with no broker attribution, followed by any candidate(s) nominated by the petition process and indicated as nominated by petition process, who shall be listed in alphabetical order with no broker attribution. Ballots shall be mailed or delivered electronically to all REALTOR® members in good standing on or before October 1. REALTOR® members who have not consented to receive electronic communications from the Association shall receive a ballot by mail. Members shall have until October 10 to vote. Members may vote by completing a printed ballot and returning it to the Association so that it is received on or before October 10. On October 15 or the nearest working day thereto, tellers appointed by the President will tabulate the ballots and shall declare the candidates receiving the highest number of votes for the number of vacancies to be filled as duly elected. No Director elected to a three (3) year term shall be eligible for reelection for one (1) year after having served as an elected member of the Board of Directors.

(f) Officer Nominating Procedure. Annually, before the Organizational Meeting is held, the Nominating Committee shall meet to recommend the name of a REALTOR® member to serve as President, President-Elect and Treasurer. The Nominating Committee shall screen all officer candidates and may require officer candidates to complete a nomination form. Any member serving on the Nominating Committee wishing to apply for an officer position shall recuse themselves from serving on the Committee during the Officer Nominating Procedure.

(g) Organizational Meeting. The Board of Directors shall hold an Organizational Meeting each October to elect a President, President-Elect, and Treasurer. All retiring Directors, holdover Directors, and newly elected Directors present are eligible to vote. No proxy or absentee ballots will be allowed. The officers elected shall serve for one year commencing on the next January 1. No member may be elected to serve more than two (2) consecutive terms as President. The Board of Directors shall have the power to define the duties and responsibilities of these officers.

## **Article XII— Meetings**

Section 1. Annual Meetings of Members. An annual meeting of the members may be held at the discretion of the Board of Directors. The date, place, and hour to be designated by the Board of Directors.

Section 2. Special Meetings of Members. A special meeting of the members shall be held when called by the Board of Directors, the President, or at least fifty (50) members with voting rights or ten percent (10%) of the members with voting rights, whichever is less. For there to be an effective call of a special meeting by members with voting rights, at least the requisite number of members with voting rights must sign, date and deliver to the President or the Treasurer one or more written demands for the special meeting describing the purpose for which it is to be held.

Section 3. Notice of Meetings of Members. Written or electronic notice shall be given to every member with voting rights or otherwise 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 4. Quorum for Meetings of Members. A quorum for the transaction of business shall consist of fifty (50) members with voting rights who are present and eligible to vote.

Section 5. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or the Membership may conduct business by electronic means.

Section 6. Board Meetings. The Board of Directors shall designate a regular time and place of meetings of the Board of Directors. The President may call a special meeting of the Board of Directors. When present, the President shall preside at every meeting of the Board of Directors, and in the absence of the President, the President-Elect shall preside and in the absence of both the President and the President-Elect, the Treasurer shall preside. Eight Directors, or if more, one-third of the number of then-serving Directors, shall constitute a quorum. The Board of Directors shall take action by the affirmative vote of a majority of Directors present and entitled to vote at a duly held meeting at which a quorum is present when the meeting is convened, even though the withdrawal of Directors originally present is less than the proportion or number otherwise required for a quorum.

Section 7. Action Without a Meeting of Directors. An action required to be taken at a Board meeting may be taken by written action signed, or consented to by authenticated electronic communication, by all of the Directors. If the Articles of Incorporation of the Association so provide, an action, other than an action requiring member approval, may be taken by written action signed, or consented to by authenticated electronic communication, by the number of Directors that would be required to take the same action at a meeting of the Board at which all Directors were present. The written action is effective when signed, or consented to by authenticated electronic communication, by the required number of Directors, unless a different effective time is provided in the written action. When written is permitted to be taken by less than all Directors, all Directors must be notified immediately of its text and effective date. Failure to provide the notice does not invalidate the written action. A Director who does not sign or consent to the written action is not liable for the action.

Section 8. Meetings of Members by Electronic Communications. An annual or special meeting of members may be held solely by one or more means of remote communication, if notice of the meeting is given to every member entitled to vote, and if the number of participating in the meeting is sufficient to constitute a quorum at a meeting. Participation by a member by that means constitutes presence at the meeting in person. Nothing in this bylaw imposes an obligation on the Association to establish means of remote communication for any annual or special meeting of members.

Section 9. Participation in Member Meetings by Means of Remote Communication. A member not physically present in person or by proxy at an annual or special meeting of members may, by means of remote communication, participate in a meeting of members held at a designated place. Participation by a member by that means constitutes presence at the meeting in person. Nothing in this bylaw imposes an obligation on the Association to establish means of remote communication for any annual or special meeting of members.

Section 10. Requirements of Member Meetings Held Solely by Means of Remote Communication and for Participation by Means of Remote Communication. In any meeting of members held solely by means of remote communication or in any meeting of members held at a designated place which one or more members participate by means of remote communication the Association shall implement reasonable measures to verify that each person deemed present and entitled to vote at the meeting by means of remote communication is a member; and the Association shall implement reasonable measures to provide each member participating by means of remote communication with a reasonable opportunity to participate in the meeting, including an opportunity to (a) read or hear the proceedings of the meeting substantially concurrently with those proceedings; (b) if allowed by the procedures governing the meeting, have the member's remarks heard or read by other participants in the meeting substantially concurrently with the making of those remarks; and (c) if otherwise entitled, vote on matters submitted by the members. Nothing in this bylaw imposes an obligation on the Association to establish means of remote communication for any annual or special meeting of members.

Section 11. Action by Written Ballots. An action that may be taken at an annual or special meeting of members may be taken without a meeting if the Association mails or delivers a written ballot to every member entitled to vote on the matter. Delivery of the written ballot may be accomplished by electronic transmissions including but not limited to fax, e-mail or posting to the webpage if the member has consented to receive electronic communications from the Association through such means. A written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by a written ballot under this Section 10 is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number votes cast by ballot. A vote through electronic transmission, including (but not limited to) email, or electronic

signature on a webpage will be considered valid if the member has included the member's electronic signature and the method of response is such that the Association can reasonably determine that the electronic signature is supplied by the member. An "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record. Solicitation for votes by written ballot must indicate the number of responses needed to meet the quorum requirements, state the percentage of approvals necessary to approve each matter other than election of Directors, and specify the time at which a ballot must be received by the Association in order to be counted.

### **Article XIII — Committees**

Section 1. Standing Committees. The President-Elect shall appoint from among the REALTOR® members, subject to confirmation by the Board of Directors, all standing committee Chairs and Vice-Chairs. All standing committees shall be approved on an annual basis by the Board of Directors.

Section 2. Task Forces. The President shall appoint any task forces, and chairpersons thereof, as deemed necessary to carry out a specific task for the Association. If a task force will convene solely in the following year and/or Presidential term, that task force will be appointed by the President-Elect. The President and Board of Directors shall prescribe all powers, duties, and specific length of service for each task force.

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 some ex-officio voting member of all standing committees and shall be notified of their meetings.

Section 5. Executive Committee. The Executive Committee shall consist of the President, President-Elect, Immediate Past President, Treasurer, and three (3) current members of the Board of Directors appointed by the President and approved by the Board of Directors.

The Executive Committee shall aid and direct operating procedures and management of the Association office, meet with, aid and direct the Chief Executive Officer; and shall consider such matters as may be referred to it by the Board of Directors or the President, and shall have the power to determine policies in such cases where it is not expedient to call a special meeting of the entire Board of Directors.

Section 6. Finance Committee. The Finance Committee shall consist of the Treasurer (who shall be Chairperson of the Committee), President-Elect, and 3 members at large appointed by the President-Elect.

Section 7. CEO Evaluation Committee. The CEO Evaluation Committee shall consist of the President, President-Elect, Immediate Past President and 2 (two) other Past Presidents selected to serve by the President-Elect.

#### **Article XIV — Fiscal and Elective Year**

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

Section 2. Terms of Directors and officers begin as of the next January 1 following their elections, and end as of December 31, of the year their terms are scheduled to expire (making the calendar year the "elective year").

#### **Article XV — Rules of Order**

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

#### **Article XVI — Amendments**

Section 1. These Bylaws may be amended by a majority vote of the REALTOR® 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. A quorum shall be fifty (50) members eligible to vote.

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 time of meeting.

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate members, the use of the term REALTOR® or REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of NAR.

Section 4. These Bylaws may be amended by the Board of Directors at any duly constituted meeting of said Association, provided that the substance of the amendment shall have been plainly stated in the call for the meeting and provided further that amendments adopted pursuant to this section shall be limited to those which either (a) are appropriate from time to time to assure that these Bylaws conform to the requirements of the National Association and the State Association and Minnesota Statutes and regulations of the Real Estate Commission of the State of Minnesota, or (b) remove obsolete provisions that are no longer operative due to the lapse of time and restate the revised bylaw sections without substantive change.

#### **Article XVII — Dissolution**



Section 1. Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the State Association or, within the discretion of the Board of Directors, to any other nonprofit tax exempt organization.

## **Article XVIII — Multiple Listing Service**

Section 1. Authority. The Association shall be a shareholder in the RMLS and maintain for the use of its members a multiple listing service which shall be a lawful corporation of the State of Minnesota, all the stock of which shall be owned by the participating shareholder associations of the RMLS.

Section 2. Purpose. An MLS is a means by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; 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 so participants may better serve their clients and the public.

Section 3. Governing Documents. The Board of Directors shall cause the RMLS 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 NAR.

Section 4. Participation. Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service membership or participation unless they hold a current, valid real estate broker's license and cooperate, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients. Use of information developed by or published by the MLS is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by an association MLS where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for participation in the MLS. Rather, the requirement that an individual or firm cooperate means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed

on the MLS, share information on listed property and make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their client(s). "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

The key is that the participant actively endeavors to cooperate with respect to properties of the type that are listed on the MLS in which participation is sought. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients. This requirement does not permit the MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant actively endeavors to cooperate. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to cooperate only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants.

In order to determine eligibility to participate in the MLS, administrative staff may consider the following:

- a. all final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years (to the extent the MLS participant is an association member);
- b. pending ethics complaints (or hearings);
- c. unsatisfied discipline pending;
- d. pending arbitration requests (or hearings); or
- e. unpaid arbitration awards or unpaid financial obligations to any other association (to the extent the MLS participant is an association member) or MLS.

Section 5. Nonmember Applicants. A nonmember 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 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

computer training related to MLS information entry and retrieval, 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 abide by such rules and regulations and pay the MLS fees and dues, including the nonmember 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 broker's license and cooperate or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or cooperate means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS, share information on listed property and make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their client(s). "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

The key is that the participant or potential participant cooperate with respect to properties of the type that are listed on the MLS in which participation is sought.

Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to cooperate. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to cooperate only if the MLS has a reasonable basis to believe that the participant or

potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants.

Section 6. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants.

Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS participant or the participant's licensed designee.

## **ARTICLE XIX - INDEMNIFICATION**

Section 1. To the full extent permitted by any applicable law, this Association shall indemnify each person made or threatened to be made a party to any threatened, pending or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of this Association, by reason of the former or present capacity of the person as

- (a) A Director, officer, employee or member of a committee of this Association or,
- (b) A Director, officer, partner, trustee, member, manager, governor, employee or agent of another organization or employee benefit plan, who while a Director, officer or employee of this Association, is or was serving the other corporation at the request of this Association or whose duties as a Director, officer or employee of this Association involve or involved such service to the other corporation, against judgments, penalties, fines (including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan), settlements, and reasonable attorneys' fees and disbursements, incurred by the person in connection with the proceeding.

Indemnification provided by this section shall continue as to a person who has ceased to be a Director, officer, employee or committee member, shall inure to the benefit of the heirs, executors and administrators of such person and shall apply whether or not the claim against such person arises out of matter occurring before the adoption of this section. Any indemnification realized other than under this section shall apply as a credit against any indemnification provided by this section.

This Association may, to the full extent permitted by applicable law from time to time in effect, purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or member of a committee of this Association against any liability asserted against such person and incurred by such person in any such capacity.

Adopted effective August 2024

ST. PAUL AREA ASSOCIATION OF REALTORS®, INC.