

BY-LAWS

NEW ORLEANS METROPOLITAN ASSOCIATION OF REALTORS® , INC.

***ARTICLE I - NAME**

Section 1. Name. The name of this organization shall be the New Orleans Metropolitan Association of REALTORS®, Inc.

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

***ARTICLE II - OBJECTIVES**

The objectives of the Association are:

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

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 4. To further the interest of home and other real property ownership.

Section 5. To unite those engaged in the real estate profession in this community with the LOUISIANA REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objective 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® and REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

***ARTICLE III - JURISDICTION**

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® as allocated by the Board of Directors of the National Association, shall include the geographical limits of the Parishes of Jefferson, Orleans, St. Bernard and Plaquemines, in the state of Louisiana.

Section 2. Territorial jurisdiction is defined to mean:
The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV - MEMBERSHIP

Section 1. Primary and Secondary REALTOR® Members. An individual is a Primary member if the Boards 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.

Section 2. Designated REALTOR® Members. Each firm shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Board 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.

Section 3. There shall be five (5) Classes of membership, namely (a) REALTOR® Members, (b) Institute Affiliate Members, (c) Affiliate Members, (d) Honorary Members, (e) Division Members.

(a) REALTOR® Members. REALTOR® Members, whether primary or secondary, shall be divided into three categories:

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 located within the State of Louisiana

or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the State of Louisiana 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 a Board/Association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 3 (b) of Article IV. (*)

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board 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 3 (b) of Article IV. (Amended 1/01)

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® and meet the qualifications set out in Article V.

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

- (b) Institute Affiliate Members** shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership. Institute Affiliate members may attend Association sponsored education classes or events at the Non-REALTOR® fee and may participate in the Association's CID as per the fee schedule as established by the CID. No Institute Affiliate Member may be granted the right to use the term REALTOR®, or the REALTOR® logo; to serve as President of the local association; or to be a Participant in the local association's

Multiple Listing Service. (Amended 1/02)

- (c) **Affiliate Members.** Affiliate Members shall consist of real estate owners and other individuals who, while not engaged in the real estate business defined in paragraphs (a), (b), (d) or (e) of this Section have interest requiring information concerning real estate, and are in sympathy with the objectives of the Association.
1. **Primary Affiliate** Membership shall consist of the designated representative of a corporation to serve as the Primary Affiliate Member of the New Orleans Metropolitan Association of REALTORS®.
 2. **Secondary Affiliate** Membership shall include additional individuals in a corporation wishing to obtain Affiliate membership in the New Orleans Metropolitan Association of REALTORS® as long as a Primary Membership is established.
 3. **REALTOR® Members** who wish to hold Affiliate Membership in addition to their REALTOR® Membership may do so upon Application and payment of appropriate fees.
- (d) **Honorary Members.** Honorary Members shall be individuals not engaged in the real estate profession who performed notable service for the real estate profession, for the Association, or for the public. Honorary Membership shall be conferred upon majority vote of the Board of Directors.
- (e) **Division Members.** A Division Member shall be one who meets the qualifications of membership of a "Division" of the real estate industry in a category which may be established from time to time by the Board of Directors. Individuals who apply for, and are approved for Division Membership shall be entitled to all rights and privileges of that Division. Individuals eligible for Division Membership shall be any REALTOR® member of the New Orleans Metropolitan Association of REALTORS®, Inc., holds a valid REALTOR® or REALTOR® Associate membership in the Louisiana REALTORS®, and would pay such fees as determined by the Board of Directors.

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 17 of 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 Association, through its Membership Department 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.

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 Department 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 or a state contiguous thereto (unless a secondary member), has no judgements within the past three years 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 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 agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

NOTE: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics. Adopted 1/01.

- (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 bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall agree in writing that if elected to membership he 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 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 MLS

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 (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 months from the date that provisions 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) The Membership Department shall determine whether the applicant is applying for the appropriate class of membership.
- (b) The Membership Department will review the application and determine qualification based on the criteria established in Section 2. Qualification, a, b, and c. The Membership Department will report its' recommendations to the next meeting of the Board of Directors. If the recommendation is adverse to the approval of the application, the reasons therefore shall be specifically stated.

- (c) It shall be the responsibility of the Designated REALTOR® to advise the Association within sixty (60) days of licensees and State Certified Appraisers newly affiliated with their firm. Applicants must meet all of the requirements for membership which include (1) completion of Application for Membership, (2) payment of appropriate dues and fees, (3) duplicate copy of real estate license, (4) attendance at Board Orientation. These requirements must be completed within sixty (60) days of application. Should any new applicant not meet the necessary requirements within the allotted time, or not be approved by the Board of Directors, the Designated REALTOR® will be advised and the appropriate monies returned. The Processing Fee will be retained by the New Orleans Metropolitan Association of REALTORS®, Inc. The Designated REALTOR® will then be responsible for the dues of a non-member licensee or state certified appraiser prorated from the date on the license issued to the Designated REALTOR®. Should a new licensee or state certified appraiser affiliated with the Designated REALTOR® not make application to the Association, the Designated REALTOR® will be responsible for the dues of a non-member licensee, payable sixty (60) days after receipt of the license, prorated from the date on the license issued to the Designated REALTOR®.
- (d) The Board of Directors shall review the recommendations of the Membership Department and then vote on the applicant's eligibility for membership. If applicant receives a majority vote of the Board of Directors, he shall be declared elected to membership.
- (e) In the event the applicant fails to receive the majority vote of the Board of Directors, then the Board of Directors shall afford the applicant a hearing before the Board, and shall provide the applicant with advance notice of the findings and recommendations of the Membership Department, 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.
- (f) 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 Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.
- (g) Should a new licensee or state certified appraiser affiliated with the Designated REALTOR® not make application to the Association, the Designated REALTOR® will be responsible for the dues of a non-member licensee, payable sixty (60) days after receipt of the license, prorated from the date on the license issued to the Designated REALTOR®.

Section 4. New Member Code of Ethics Orientation

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

Failure to satisfy this requirement within 60 days of the date of application will result in denial of the membership application. Adopted 1/01.

Section 5. Mandatory Periodic Ethics Training

Effective January 1, 2001, through December 31, 2004, and for four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the National Association of REALTORS®, or any other recognized educational institution or provider which meets 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 during any four year cycle shall not be required to complete additional ethics training until a new four year 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. (Adopted 1/01).

Section 6. Status Changes.

- (a) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within 30 days. 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 30 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.

- (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, or non-member fees, shall be prorated from the first of the quarter in which the licensee becomes licensed with the Designated REALTOR®, and shall be based on the new membership, or non-member 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 for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws, after a Hearing as provided in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®. 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 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 of 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 Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

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

Section 4. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if the member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or 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 with an ethics complaint pending, that Board of Directors may condition the right of the resigning member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

(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 former member was a REALTOR

Section 6. REALTOR® Members.

- (a) REALTOR® Members, whether Primary or Secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and hold elective office in the Association.
- (b) REALTOR® Members may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII.
- (c) REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.
- (d) If a REALTOR® Member is a sole proprietor in a firm, partner in a partnership, or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until re-admission 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 the 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 Association, 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.

- (e) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6 (d) 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 (d) shall apply.

Section 7. **Affiliate Members.** Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 8. **Honorary Members.** Honorary Members shall confer only the right to attend meetings and participate in discussions.

Section 9. **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®. Institute Affiliate members may attend Association sponsored education classes or events at the Non-REALTOR® fee and may participate in the Association's CID as per the fee schedule as established by the CID. No Institute Affiliate Member may be granted the right to use the term REALTOR®, or the REALTOR® logo; to serve as President of the local association; or to be a participant in the local association's Multiple Listing Service.

Section 10. Division Members. Division Members shall have rights and privileges as determined by the Board of Directors.

Section 11. Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association during the month of January, on a form provided by the Association, a complete listing of all individuals licensed or Certified with the REALTOR®'S firm(s) within the State of Louisiana and shall designate a Primary Board for each individual. These

declarations shall be used for purposes of calculating dues under Article X, Section 2.a of Bylaws. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed with the firm(s) within 30 days of the date of affiliation or severance of the individual.

***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 arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, which by this reference is made a part of these Bylaws.

Section 2. It shall be the duty and responsibility of every REALTOR® of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.

***ARTICLE VIII - USE OF THE TERMS REALTOR® 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 the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction.

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

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business. (Amended 1/01)

Section 4. 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 MEMBERSHIP**

Section 1. The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the Louisiana REALTORS®. By reason of the Association's membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Louisiana REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Association, unless by majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

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

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

ARTICLE X - DUES AND ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in a 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 Association upon final approval of the application.

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 an amount as established annually by the Board of Directors plus an amount equal to an amount as established 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 a state contiguous thereto 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) of this Article shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board in the State or a state contiguous thereto, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this board.* (Amended 1/01)
- (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 or a state contiguous thereto 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 an amount determined annually by the Board of Directors.
- (c) **Affiliate Members.** The dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.
- (d) **Honorary Members.** Dues payable, if any, shall be at the discretion of the Board

of Directors.

- (e) **Institute Affiliate Members.** The annual dues for each Institute Affiliate shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate (IA) Members (\$75.00). NAR shall credit \$25.00 to the account of a local association for each IA Member whose office is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board, the \$25.00 amount will be credited to the COB, unless the IA Member directs that the dues be distributed to the other board. NAR shall also credit \$25.00 to the account of state associations for each IA Member whose office is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for IA Members, but may provide service packages to which IA Members may voluntarily subscribe.

- (f) **Division Members.** The annual dues for each Division Member shall be in such amounts as established by the Board of Directors.

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on the first day of November without the necessity of a formal notice from the Association. Dues, or non-member fees, shall be prorated from the first of the quarter in which the licensee becomes licensed with the Designated REALTOR®, 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 Association dues, and licensee remains with the designated REALTORS®'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 Association or the Association'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 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.

The Association is authorized to establish, implement, assess and collect a reasonable fee, penalty or late charge on any amount delinquent for a period of more than one (1) month after the due date.

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

Section 6. 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 Association Multiple Listing Service 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® Emeritus (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. The Officers of the Association shall consist of a President, President Elect, Treasurer and Secretary all of whom shall be REALTOR® members of the Board of Directors. The President Elect, Treasurer and Secretary are to be elected annually by those outgoing directors and newly elected directors, as provided in the next paragraph, and shall serve for one year, or until their successors are duly elected and installed.

It shall be the duty of those outgoing Directors and newly elected At Large Directors who will serve on the Board of Directors to attend a special meeting within 30 days following their election for the purpose of voting to elect Officers for the upcoming year.

Section 2. Duties of Officers - The duties of the Officers shall be such as their titles would indicate and such as may be assigned to them by the Board of Directors. The President of the Board of Directors of the New Orleans Metropolitan Association of REALTORS®, or at his/her option, the President Elect, shall serve on the Board of Directors of the Commercial Investment Division in accordance with their Bylaws.

Section 3. Board of Directors

- (a) The governing body of this Association shall be by a Board of Directors of a maximum of fourteen (14) REALTOR® members, twelve (12) of whom shall be At Large Directors elected by the general membership at an annual meeting, and shall serve staggered terms of three (3) years each. These terms shall be staggered by the Board of Directors so as to allow election for, and to maintain, four (4) Directors to be serving in the first year of their three (3) year term; four (4) Directors to be in the second year of their term; and *four (4)* Directors to be in the last or final year of their term. The immediate Past President of the Association shall serve, Ex-Officio, as the thirteenth (13th) Director. The President of the Commercial Investment Division (CID), or at his/her option the President Elect, shall be designated annually to serve as the fourteenth (14th) Director and shall have the privilege of voting.
- (b) No more than three (3) At Large Director positions shall be filled from the same company. For the purpose of this rule "company" shall mean any legal entity, including but not limited to, a parent, subsidiary, franchise or related company which is owned or controlled, in whole or in part, by the same member. Thus, in the event a company has three (3) members of its company currently serving an unexpired or unfulfilled term, no further nominees are eligible, whether by petition or by the nomination committee. The above rule shall not bar more than three (3) nominees from the same company from seeking election when a company has two or less representatives on the Board of Directors. However, after election, the election committee shall be required to tabulate all votes cast and certify the results as follows: All nominees shall be considered elected in the order of those receiving the greatest number of votes cast, unless it would result in more than three (3) members from the same company serving on the Board of Directors. In that event, the nominee(s) from the same company receiving the greater number of votes for the eligible directorship(s), shall be considered elected, and the other nominee(s) from that company shall be considered disqualified. In the event of such disqualification, the election committee shall assign directorships to other nominees, not of the same company, in order of those receiving the next greatest number of votes cast.
- (c) In the event that circumstances arise wherein more than three (3) At Large Directors from one company are serving, such as a change of company affiliation, the company, and those Directors involved, shall be required to confer and to determine which directors may remain on the Board of Directors. When an existing Director's firm is merged into or acquired by another firm, the existing member Director's firm limitation is suspended until expiration of the existing member Director's current term.
- (d) A Director is limited to two (2) consecutive terms unless serving as Treasurer or President Elect. The two years served as President Elect and President of the Board may be in addition to their two consecutive terms.

- (e) The following requirements must be met in order to be elected to the Board of Directors:
 - 1) A REALTOR® in good standing for the previous three (3) years, and
 - 2) Must hold REALTOR® membership in NOMAR, and
 - 3) Must have served on a NOMAR Committee or Task Force.
- (f) After being off the Board of Directors for a full year, members may be eligible to run for Director again. The immediate Past President shall serve as Ex-Officio member of the Board of Directors for one year. Upon completion of a President's term, any remaining portion of his/her Directorship shall be vacated. The remaining term vacated by the President will be filled by vote of the Board of Directors. Such action shall take place after the general election meeting and prior to the election of Officers.
- (g) In no event shall the number of Category 1 REALTORS® (see Article IV, Section 3, a.1.) and REALTORS® who are engaged in the real estate profession in positions of management control on behalf of sole proprietors or corporate officers, be less than 50% of the At Large Directors.

Section 4. Election of Directors.

- (a) At least thirty-five (35) working days (exclusive of Saturdays and Sundays) before the annual election, a Nominating Committee of not less than five (5), but no more than seven (7) REALTOR® members shall be appointed by the President with the approval of the Board of Directors. No member who is a candidate for office shall serve on the Nominating Committee. The Nominating Committee shall be encouraged to select at least two (2) candidates for each place to be filled on the Board of Directors. The report of the Nominating Committee shall be made available to each REALTOR® member (by either regular mail, e-mail, office fax, posting on the Association's website, or in person) at least twenty-five (25) working days (exclusive of Saturdays and Sundays) preceding the election and should be filed with the Secretary. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 2% of the REALTOR® Members, of which no more than 1% be from the same firm, which petition shall be filed with the Secretary at least twelve (12) working days before the election. Thereafter, the secretary shall mail notice of all nominations, together with a voting ballot, to all REALTOR® members, which notice and ballot shall be on a form approved by the Board of Directors and include the option of (1) voting for a candidate of choice by mail or (2) voting in person by attending such annual meeting.

The date and location of the annual meeting shall be included in the notice mailed by the Secretary. If option (1) is exercised, the ballot must be received by the Board by 5:00 p.m. two calendar days (exclusive of Saturdays and Sundays) prior to election day. The notice shall contain the time and date the ballot must be received by the Board.

- (b) The election of Directors shall take place at the Annual Meeting. Election shall be

by ballot and all votes must be cast either by ballot by mail or in person by attendance at the election meeting. The ballot shall contain the names of all candidates, who shall be listed in alphabetical order.

- (c) The President, with the approval of the Board of Directors, shall appoint an Election Committee of three (3) REALTOR® members to conduct the election. In case of a tie vote the issue shall be determined by lot.
- (d) Voting members must cast a full ballot. Ballots containing votes for more, or less than the number of directors to be elected, shall be invalidated by the election committee.

Section 5. Terms. For the purpose of computing "consecutive terms", two thirds of time served will be considered a full term. Board service as the CID Director shall not be considered for the purpose of computing a term served as a Director.

Section 6. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors.

Section 7. Removal of Officers and "At Large" Directors. In the event that an Officer or At Large 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 Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.
- (c) The special meeting shall be noticed to all voting members, at least ten (10) days prior to the meeting, in the event the petition is presented by one-third (1/3) of the voting membership. Such special meetings shall be noticed to all members of the Board of Directors in the event such petition arises by a majority of such Directors.

In either event, this special meeting 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. A quorum of the Board of Directors at such special meeting shall be present, and a three-fourths (3/4) vote of the Association members present and voting shall be required for removal from office.

ARTICLE XII - MEETINGS

Section 1. Annual Meetings. The annual meeting and election of the Board of Directors shall be held during the fourth calendar quarter of each year, or at such other time and place within or without the State of Louisiana, as may be provided for by the Board of Directors.

Section 2. Meetings of Directors.

- (a) The Board of Directors shall designate a regular time and place of meeting. Absence from three regularly scheduled meetings during any one elective year without an excuse or a total of 5 shall be construed as automatic resignation therefrom. "Absence from meetings because of conflict of attendance at other business related matters of the Association, at any level, local State or National, shall not constitute "absence" if acknowledged and recognized by the Board of Directors." Request for an excused absence must be made in writing and received and approved by the Board of Directors no later than the next regular meeting.
- (b) In the case of emergencies, or other need to expedite a vote of the Board, the Directors may, at the discretion of the President, elect to transact business discussions by telephone, E-mail, Fax, or similar communication, and may cast their respective votes by Fax or Email to the NOMAR corporate office to the Executive Vice-President, or his/her designee, who shall tabulate all votes and notify the Board of the final results. At the next regular scheduled meeting of the Board, the directors shall be required to ratify their votes and the results of any action should be recorded in the minutes.

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 ten percent 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. Alteration of Articles of Incorporation. A change, modification or alteration of the Articles of Incorporation shall be considered at an annual meeting or special meeting after proper and due notice. Voting shall be by ballot, and all votes must be cast personally, either by mail-in ballot, or by personal attendance at the election meeting. The secretary shall be required to mail notice of all proposed charter amendments to all voting members, which notice and ballot shall be on a form approved by the Board of Directors and shall include the option of (1) voting by mail (which shall be deemed voting in person); or (2) voting in person by attending such meeting. The date, location and purpose, as well as a description

of the proposed changes, shall be included in the notice mailed by the secretary. If a member elects to vote by mail-in ballot, such ballot must be received by the Board by 5:00 p.m., two days (exclusive of Saturdays, Sundays and holidays) prior to the election day.

Section 6. Quorum. A quorum at a meeting of the Board of Directors or Executive Committee shall consist of a majority of members of Board of Directors or Executive Committee present. Except when otherwise provided for in the Bylaws, a quorum for all committee meetings, shall be one third (1/3) of the committee membership, with no less than three (3) people present. At meetings of the general membership, called for any purpose, a quorum shall consist of 10% of the total number of REALTOR® members in good standing, except in the case where this Association's Articles of Incorporation require a greater number.

ARTICLE XIII - COMMITTEES

Section 1. Committees. The President, with approval of the Board of Directors, shall appoint from among the REALTOR® and Affiliate Members those committees which are necessary to carry out the objects and purpose of the corporation.

Section 2. Executive Committee. The Executive Committee shall consist of seven (7) members, who shall be the four (4) officers, the immediate past President, and two other REALTOR® members of the Board of Directors appointed by the President and approved by the entire Board of Directors. The Executive Vice President shall be a non-voting member of this Committee.

The Executive Committee shall have general supervision of the administrative affairs of this Association between the business meetings of the Board of Directors, make recommendations to the Board of Directors, shall perform such other specific duties as provided by the Bylaws, and shall be empowered to carry out such specific duties and assignments as may be directed by the Board of Directors from time to time. However, at all times the Executive Committee shall remain subject to the authority of the Board of Directors, and none of its acts shall conflict with an action taken by the Board of Directors.

The Executive Committee, in the performance of its functions, may conduct regular monthly meetings in advance of the Board of Directors meeting, and shall review the business affairs of this Association which may come before the Board of Directors and make recommendations thereon; shall on an annual basis review the performance of the Executive Vice President, and receive and review with the Executive Vice President all matters concerning this Association arising out of the Operations and Personnel Policy Manual, and to thereafter make recommendations to the Board of Directors with respect thereto; and upon authorization by the Board of Directors to bind this corporation in its various contractual matters affecting the interest of this Association.

Section 3. Budget and Finance Committee. The Budget & Finance Committee shall consist of nine (9) members who shall be the Treasurer who shall serve as

Chairman, the Secretary and President Elect of NOMAR, the President of NOMAR, the President of GSREIN (must be a primary member of NOMAR to serve on the NOMAR Budget and Finance Committee), and four (4) other REALTOR® members appointed by the President and shall serve staggered terms of two (2) years each. It shall be the duty of the Budget and Finance Committee to budget the income of the Association on an annual basis. The Budget and Finance Committee shall have charge, subject to the approval of the Board of Directors, of the finances of the Association, and shall examine from time to time, with the assistance of an auditor, the accounts of the Association. It shall also have charge of the insuring of the property of the Association. No expenditures are to be made by the Association at the request of members. Such requests are to be referred to the Budget & Finance Committee of this Association and approved by the Chairman of said committee. Any two of the following signatures must be obtained on all checks: the President, the President Elect, the Secretary, the Treasurer, or the Executive Vice-President (or other NOMAR staff person authorized by Executive Vice President to sign on account).

Section 4. Special Committees.

- A. The President shall appoint, subject to confirmation by the Board of Directors, special committees. In the sole discretion of the President one or more Task Forces may be appointed as deemed necessary or desirable.
- B. The President of NOMAR and the President of GSREIN shall jointly appoint an MLS Advisory Committee which will submit its reports and recommendations to both Boards. Committee Members may be chosen from any Board for whom GSREIN provides MLS services.

Section 5. Organization. All Special Committees and task forces 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 6. President. The President shall be an ex-officio member of all committees and task forces and shall be notified of their meetings.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

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

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 the majority vote of the entire Board of Directors at any meeting, subject always to the right of the general membership to veto or annul such action taken by the Board of Directors by a majority vote of the members present at any meeting at which a quorum is present, provided notice of the intention to annul such action taken by the Board of Directors at such a meeting has been duly stated in the call for such general membership meeting. However, Article IX of these Bylaws may be amended only by a majority vote of all REALTOR® members called for the purpose of considering said amendment(s) to Article IX.

Section 2. Upon a petition signed by 10% of the REALTOR® membership (as provided in Article XII) in good standing, seeking to annul any action taken by the Board of Directors, in regard to the Bylaws, the President shall call a meeting of the general membership to consider such action and due notice of the meeting and purpose thereof shall be given to all the membership in the manner provided in Article XII herein, for calling of meetings.

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

ARTICLE XVII - DISSOLUTION

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

ARTICLE XVIII - MULTIPLE LISTING

Section 1. Authority. The Board of REALTORS® shall establish and maintain a Multiple Listing Service which shall be a lawful corporation of the State of Louisiana, all the stock of which shall be owned by the New Orleans Metropolitan Association of REALTORS®, Inc.

Section 2. Purpose. A Multiple Listing Service is:

a facility for the orderly correlation and dissemination of listing information among participants so that they may better serve their clients and customers and the public.

a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in a non-agency capacity defined by law).

a means by which information is accumulated and disseminated to enable authorized participants to prepare appraisals and other valuations of real property.

a means by which participants engaging in real estate appraisal contribute to common data bases, and

by which entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale or lease.

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® of this or any other Member Board who is a principal, partner, 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 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 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 or published by an Association Multiple Listing Service where access to such information is prohibited by law.

Section 5. Non-Member Participation Rights.

- (a) 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 agrees to complete the Board Orientation Course 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, 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 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 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.

- (b) The Membership Committee will also consider the following in determining a nonmember applicant's qualifications for MLS Participation or 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 MLS.

Section 5. Access to Comparable and Statistical Information. Association 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 Association Members and individuals affiliated with Association 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. Association members who receive such information, either as an Association service or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

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

Section 7. Removal of Officers and Directors. In the event that an Officer or Director of the Multiple Listing Service 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 Participants or a majority of all Directors of the MLS shall be filed with the President of the MLS, 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 Participants of the MLS 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 Participants at least ten (10) days prior to the meeting, and shall be conducted by the President of the MLS unless the President's continued service is being considered at the meeting. In such case, the next-ranking Officer will conduct the meeting or the Hearing by the Participants. Provided a quorum is present, a three-fourths vote of Participants present and voting shall be required for removal from office.
- d.** Any vote taken by the Participants to remove an Officer or Director must ultimately be confirmed by a majority vote of the Directors of the shareholder(s). Notwithstanding the foregoing, the shareholder(s) may remove an Officer or Director by a majority vote of the Directors of the shareholder(s).