

BYLAWS of the MINNEAPOLIS AREA ASSOCIATION OF REALTORS® , Inc.

First adopted on May 9, 1916. Revised on October 28, 1992, May 26, 1993, July 28, 1993, November 23, 1994, November 29, 1995, January 23, 1997, May 22, 1997 June 21, 2001, September 22, 2004, March 24, 2005, March 16, 2006 and June 19, 2008

ARTICLE I - NAME

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

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 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® and National Association of REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

Section 6. To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the National Association of REALTORS®.

ARTICLE III - JURISDICTION

Section 1. The territorial jurisdiction of the Association as a Member of the National Association of REALTORS® is Hennepin, Scott, Carver, Sibley and McLeod Counties, Minnesota.

Section 2. Territorial jurisdiction is defined to mean: The right and duty to control the use of the term REALTOR®,

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. There shall be five classes of Members as follows:

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

(1) Individuals who, as sole proprietors, partners, or corporate officers, or branch office managers are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, 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 are partners in a partnership, or all officers in a corporation who 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 a Board or Association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of this Article.

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 association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. (Amended 1/05)

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

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.

(3) Franchise REALTOR® Membership. Corporate officers [who may be licensed or unlicensed] of a real estate brokerage franchise organization with at least one hundred fifty [150] franchisees located in 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 association mandated education, meeting attendance, or indoctrination classes or

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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 the 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 firm (or office in the case of firms 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, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR[®] Membership established in Article V, Section 2, of the Bylaws.

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

(c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the 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) Senior Members. Senior Members shall be individuals who have held membership in the Association for a period of twenty-five (25) years or more, are sixty-five (65) years of age or older, no longer maintain a real estate license, and are retired from active participation in the real estate profession. Local Association dues are waived for those who qualify for this membership. Senior Members are not entitled to use the term REALTOR[®] unless that portion of the dues payable to the National Association of REALTORS[®] is paid to the Association.

(e) Support Affiliate Members. Support Affiliate Members shall be individuals who are office administrators or personal assistants, do not hold a current broker or salesperson license in Minnesota or a state contiguous thereto, but have interests requiring information concerning real estate, and are affiliated with a member of the Association.

(f) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.

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 (1) that applicant agrees as a condition to membership to thoroughly familiarize him/herself with the Code of Ethics of the National Association of REALTORS[®], the Constitution, Bylaws, and Rules and Regulations of the Association, Minnesota and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, Minnesota and National Associations of REALTOR[®], 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 as further specified in the Code of Ethics and Arbitration Manual of the National Association of REALTORS, as from time to time amended, and (2) that applicant consents that the Association, through its Executive Committee or staff person designated, may invite and receive information and comment about the 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. Qualifications.

(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 Association that he or 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

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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*, no record of official sanctions involving unprofessional conduct**, agrees to complete an orientation 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 the National Association of REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Board of Directors, and shall agree that if elected to membership, he or she will abide by such Constitution, Bylaws, 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, general partner, corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a “cash basis” from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

“No record of official sanctions involving unprofessional conduct” is intended to mean the Association may only consider

- A. Judgments within the past three years (3) years of the violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. Criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten years have elapsed since the date of conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date. (Amended 5/07).

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

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietor, 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 Association, or a Designated REALTOR® Member of another Board/Association (if a secondary member), and must maintain a current, valid real estate broker’s or 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 an orientation 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 the National Association of REALTORS® and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Association, and shall agree in writing that if elected to membership he or she will abide by the Code of Ethics of the National Association of REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Association, State Association, and the National Association.

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

- All final findings of Code of Ethics violations and violations of other membership duties in any other Association within the past three[3] years.
- Pending ethics complaints [or hearings].
- Unsatisfied discipline pending.
- Pending arbitration requests [or hearings].
- Unpaid arbitration awards or unpaid financial obligations to any other Board/Association or Board/Association MLS.
- 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] Note (2) Association provided all other qualifications for membership have been satisfied.

The Association 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.

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If a member resigns from another Board/Association with an ethics complaint or arbitration request pending, the Association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding [in accordance with the established procedures of the Association to which the applicant has made applications] and will abide by the decision of the hearing panel.

Section 3. Election.

(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 (for example, completion of the mandatory new member orientation program) within 90 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 unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days the individual received association services and any application fee.

(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 (Executive Committee) , 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 written minutes be made of any hearing before it or may electronically or mechanically record the proceeding.

(d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Chief Executive Officer. 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 hours and thirty 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 year or less.

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

NOTE: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the National Association of REALTORS. (Adopted 1/01)

Section 5 Continuing Member Code of Ethics Training.

Effective January 1, 2001 through December 31, 2004, and for successive four year periods thereafter, 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 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 the learning objectives and minimum criteria established by the National Association of REALTORS® 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.

Members suspended for failing to meet the requirement for the first four (4) year cycle (2001 -2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership.

Failure to meet the requirement for the second (2005 - 2008) cycle and subsequent four (4) year cycles will result in suspension of the membership for the first two months (January and February) of the year following the end of any four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year,

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the membership of member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05)

Section 6 Status Change.

(a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within thirty (30) 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 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 he/she has transferred within thirty (30) days of the date he/she advised the Association of his/her change in status, his/her 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 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. (Amended 1/98)

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

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

(c) Dues shall be prorated from the first day of the quarter in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year. (Mandated by NAR).

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

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

Section 2. Any member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by either the Board of Directors of the Association or a Tribunal of the Minnesota Association of

REALTORS® for a violation of these Bylaws and Board Rules and Regulations consistent with these Bylaws, after a hearing as provided for in the Code of Ethics and Arbitration Manual of the National Association. 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 Executive Committee and the Board of Directors of the Association, or upon recommendation by a hearing panel of the Minnesota association of REALTORS® 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® Member of the Association may be disciplined by a Tribunal of the Minnesota Association of REALTORS® for violations of the Code of Ethics. Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of other duties of membership, after a hearing described in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, 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 at the Association office, provided, however, that if any Member submitting a 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, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he or she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel. 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®.

Section 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good

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standing whose financial obligations to the Association are paid in full are entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII and Section 3, Article IX, and have the primary responsibility to safeguard and promote the standards, interest, and welfare of the Association and the real estate profession.

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

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

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

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR, REALTOR-ASSOCIATE, 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 8. Affiliate Members. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors, except the right to vote and to hold elective office.

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

Section 10. Support Affiliate Members. Support Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors, except the right to vote and hold elective office

Section 11. 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.

Section 12. Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association annually, on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTORS® office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensee in the REALTORS® office(s) and if Designated REALTOR® Dues have been paid to another /Association based on said non-member licensee, the Designated REALTOR® shall identify the Board/Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within thirty (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 MLS employee or Association officer or director after an investigation a hearing in accordance with the established procedures of the Association. Disciplinary action may also consist of any sanction authorized in the Association's Code of Ethics and Arbitration Manual. As used in this section, harassment means verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, President-elect 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

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include any sanction authorized in the Association's Code of Ethics and Arbitration Manual. If the complaint names the President or President-elect, they may not participate in the proceedings and shall be replaced by the Immediate past-president or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

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

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 Minnesota Association of REALTORS® and shall be governed by the Code of Ethics and Arbitration Manual of the National Association, 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 abide by the 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 the National Association as from time to time amended.

Section 3. The responsibility of the Association and of 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, 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 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. 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 in the Association's Code of Ethics and Arbitration Manual. (Amended 5/06)

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

(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.

Section 4. Institute Affiliates, Affiliate and Support Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the National Association of REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1. The Association shall be a Member of the National Association of REALTORS® and the Minnesota Association of 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 Minnesota Association of REALTORS® 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

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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 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 of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association of REALTORS® and the Minnesota Association of REALTORS®.

Section 3. The Association assigned the collective trademark REALTOR® to the National Association of REALTORS® effective as of May 1, 1916, reserving nonetheless to the Association and its successors a perpetual and absolute right to use said collective trademark. Nothing in the Bylaws of the Association should be construed to waive such rights as the Association and its Members may have to the REALTOR® collective trademark.

ARTICLE X - DUES AND ASSESSMENTS

Section 1. New Member Fee. The Board of Directors may adopt a new member fee for REALTOR® Membership, 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 upon final approval of the application. Applicants will be given 90 days from the date of application or alternatively, the date that provisional membership was granted, to attend the Association sponsored New Member Orientation. If orientation is not completed in this time, provisional membership may be terminated at the discretion of the Board of Directors in accordance with Article V, Section 3(a), Election. Dues shall be returned to the individual less a prorated amount to cover the number of days the individual received association services, and the DR dues formula is implemented to the Designated REALTOR®, consistent with Article X, Section 4, Dues Payable. The application fee will be retained by the Association. . The Board of Directors may adopt a new member fee for other classes of membership, except for Institute Affiliate Membership, not to exceed the amount of the new member fee for REALTOR® Members.

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

(a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be the amount 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 licensees 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 or Board 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 Section 2(a)(1) and (2) of this Article shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Board/Association in writing of the identity of the Board/Association to which dues have been remitted.

In the case of a Designated REALTOR® Member of a firm, partnership, or corporation whose business activity is substantially all commercial, any assessment for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) above) in the office where the designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association. (Amended 1/05)

For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, 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 other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer 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

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calculating the annual dues of the Designated REALTOR®.

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. (Amended 5/03)

(b) The annual dues of each REALTOR® Member other than the Designated REALTOR® shall be established by the Board of Directors. (Amended 1/05)

(c) Institute Affiliate members: The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the National Association of REALTORS®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address 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 (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address 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 Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 1/02)

(d) The annual dues of each Affiliate Member shall be established by the Board of Directors.

(e) The annual dues of each Support Affiliate Member shall be established by the Board of Directors.

(f) There are to be no annual dues to the Association for Senior Members. If continued affiliation is desired in the Minnesota Association of REALTORS® and/or National Association of REALTORS®, that portion of dues as established by each, if any, must be paid by the Senior Member.

(g) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.

Section 3. Other Fees. The Board of Directors has the discretion to establish other membership fees and charges, such as for late payment of dues, reinstatement, transfer between offices, etc

Section 4. Dues Payable. Dues for all Members shall be payable annually in advance for the following year on the first day of November with 30 days thereafter to pay. Dues for new members shall be computed from the date of application and granting of provisional membership.

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

Section 5. Nonpayment of Financial Obligations. If dues, fees, charges, fines, or other assessments including any amount owed to the Association or its Regional Multiple Listing Service are not paid within thirty (30) days 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 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 terminate a Member for nonpayment or 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 6. Deposit. All monies received by the Association for any purpose shall be initially deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors and may thereafter be used in a manner consistent with the objectives of the Association.

Section 7. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or the Regional Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

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

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Association shall be: a President, a President-elect, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person. 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 terms of one year.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Chief Staff Executive to keep the records of the Association and to carry on all necessary correspondence with the National Association of REALTORS and the Minnesota Association of REALTORS. (Amended 1/05)

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors, consisting of the Officers, the immediate Past-President, two (2) REALTOR® Members who are Past-Presidents and fifteen (15) REALTOR® Members. Nine directors shall be elected to serve for a three (3) year term of office, one-third, or as many required to fill any vacancy, being elected each year in accordance with this Article. Six directors shall be appointed by the President to serve a three year term of office, one-third, or as many required to fill any vacancy, being appointed each year after Board of Director election and prior to the Organization Meeting in accordance with this Article. Other members of the Board of Directors shall be for a one (1) year term of office. The term of office begins on January 1 of each calendar year.

The Executive Committee shall have the authority to make necessary, time sensitive decisions on behalf of the Board of Directors when a Director's meeting is not scheduled.

Section 4. Director Nominating Procedure. The President shall appoint a Nominating Committee each year for the purpose of nominating REALTOR® Members as Director candidates to be voted on by the REALTOR® members. The Nominating Committee shall consist of REALTOR® Directors whose terms expire at the end of the calendar year in which they are appointed, plus five

(5) REALTOR® Members who are past-presidents of the Association, to be selected by the President.

The Nominating Committee shall meet prior to June 30 each year. Whenever the committee meets five (5) members shall constitute a quorum.

The Nominating Committee shall nominate at least two candidates for each elected director position that will be completed at the end of the calendar year or otherwise replaced. Five members of the Nominating Committee constitute a quorum.

The Nominating Committee shall also select two (2) past-presidents, who are still REALTOR® Members of the Association, to serve a one-year term on the Board of Directors.

Members shall be provided the report of the Nominating Committee by July 20 15 through the Association's publication, web site, or other means. Additional nominations may be made by petition of not less than twenty (20) REALTOR® Members. Petitions must be received at the Association office no later than August 5. 1 Any nominations so made shall be added to the list of nominees published in alphabetical order to be voted upon by REALTOR® Members in accordance with Article XII pertaining to Election Procedures.

The Nominating Committee shall also submit to the Board of Directors nominations for positions as directors of the Minnesota Association of REALTORS® and directors of the National Association of REALTORS® as designated or requested.

The President shall appoint REALTOR® Members as Governors to the Regional Multiple Listing Service, with approval by the Board of Directors.

Section 5. Officer Nominating Procedure. The President, the President-elect and the past president members of the Nominating Committee shall serve as the Officer Nominating Committee. Annually before the following year's Board of Directors organizational meeting is held, the Officer Nominating Committee shall meet to recommend to the Board of Directors the name of a REALTOR® Member to serve as President, President-elect, Secretary and Treasurer. 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. The offices of Secretary and Treasurer may be held by the same person. The Officer Nominating Committee chairperson will meet with the directors at their organizational meeting to present the list of Officer nominees.

Section 6. Organization Meeting. An Organization Meeting for the following year consisting of the Board of Directors as it will be constituted the following year will be held in conjunction with the September meeting of the Board of Directors. If there is no regular meeting, a

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special meeting of the Board of Directors will be held in September. At this meeting the directors shall elect a President, President-elect, Secretary and Treasurer from among REALTOR[®] Members of the Association. Directors who are also officer nominees shall abstain from the vote. The officers elected shall serve for one year commencing January 1 of the following year. The Board of Directors shall have the power to define the duties and responsibilities of these officers.

Section 7. Vacancies. Vacancies among the Officers shall be filled by a simple majority vote of the Board of Directors for the remainder of the term of office. Vacancies among the Board of Directors shall be filled by a simple vote of the Board of Directors until the next annual election.

Section 8. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

(a) A petition requiring the removal of an Officer or Director signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the Officer Nominating Committee 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, and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting of the hearing by the Members. A quorum for such a business meeting shall consist of twenty (20) ten (10) percent of the Members eligible to vote. A three-fourths vote of Members present and voting shall be required for removal from office.

Section 9. Fiscal and Elective Year. The fiscal, elective and program year of the Association shall be January 1 to December 31.

ARTICLE XII - ELECTION PROCEDURE

Section 1. Board of Directors Election Procedure. Ballots bearing the names of the candidates so nominated shall be provided to all REALTOR[®] Members in good standing on or before September 1. Ballots may be mailed, sent

electronically, or otherwise provided. Members must return completed ballots within the time limit indicated on the ballot. Ballots may be mailed, sent electronically, or otherwise provided. Each such member shall be requested to vote for up to three (3) Directors from among the REALTOR[®] candidates listed on the ballot or in the case of a vacancy, the number stipulated on the ballot. Members shall have until September 10 to return ballots to the Association office. The President will appoint tellers to tabulate the ballots which will be counted and attested to prior to the organizational meeting of the Board of Directors. A ballot shall not be counted if it is received by mail with a postmark later than the time limit indicated on the ballot September 10, delivered to the Association after September 10 after the time limit indicated on the ballot, or indicates a vote for more than the number of vacancies to be filled as explained on the ballot.. The three (3) or if there is a vacancy the number as stated on the ballot, Members receiving the highest number of votes as explained on the ballot, shall be duly elected to the Board of Directors beginning on January 1 of the following year for a three year term and until their successors are elected. No Director who has served his/her full term shall be eligible to succeed him/herself for election.

ARTICLE XIII - MEETINGS

Section 1. Meetings of the Board of Directors. The Board of Directors of the Association shall designate a regular time and place of meetings. The Board of Directors may also schedule electronic meetings when time is of the essence. Absence from two consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation. Fifty-One percent of the members of the Board of Directors shall constitute a quorum.

Section 2. Membership Meetings. A Membership meeting may be called by the President, the Board of Directors, or as otherwise permitted by law.

Section 3. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least one (1) week preceding the meeting. Notification of a membership meeting shall be accompanied by a statement of the purpose of the meeting.

Section 4. Quorum. Whenever the purpose of a membership meeting is to take up amendment(s) to the Association Bylaws or Articles of Incorporation, a quorum shall consist of those members who attend the meeting pursuant to notification requirements found in Article XVI. Whenever the purpose of a membership meeting is business other than amendment(s) to the Association Bylaws, except as stipulated in Article XI, Section 8[c], a quorum for the transaction of business shall consist of one (1) ten (10) percent of the Members eligible to vote.

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Section 5. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of directors or membership may conduct business by electronic means. (Adopted 1/05)

ARTICLE XIV - COMMITTEES

Section 1. Appointment of Committees. The President-elect shall appoint all standing committee and task force members and chairpersons for the following year, with confirmation of the Board of Directors. The Board of Directors shall prescribe the powers and duties and length of appointment of each committee. Absence from two consecutive meetings of a committee without excuse shall be construed as resignation.

Section 2. Arbitration/Professional Standards Panel. The Association shall forward to the Minnesota Association of REALTORS[®] names of REALTOR[®] Members of the Association who are to serve on the MAR Grievance Committee and Professional Standards Committee. Such Members will be subject to the member criteria and annual training as required by the Minnesota association of REALTORS[®].

Section 3. President and President-elect. The President and President-elect shall be an ex-officio member of all standing committees, special committees and task forces of the Association.

Section 4. Organization. All committees and task forces shall have duties and objectives as determined by the Board of Directors.

Section 5. Quorum. Unless stipulated in the National Association's Code of Ethics and Arbitration Manual, MLS Rules and Regulations or these Bylaws, a quorum for committees shall consist of those members appointed who attend a meeting as scheduled.

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 members present and qualified to vote at a membership 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, notice of which has been given by the executive officer by mail or electronically at least one week prior to the meeting, except that the Board of

Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by the National Association of REALTORS[®].

ARTICLE XVII - INDEMNIFICATION

Section 1. Any person, including any past, present or future director, officer, committee member, employee, or agent of the Association (or the heirs or legal representatives of any such director, officer, committee member, employee or agent) made, or threatened to be made, a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she, his or her testator, or intestate, is or was a director, officer, committee member, employee, or agent of the Association or performed any service at the request of the Association shall be indemnified by the Association, and the Association may advance his or her related expenses in the manner and the full extent as provided by the law of the State of Minnesota.

ARTICLE XVIII - DISSOLUTION

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

ARTICLE XIX - RESIDENTIAL MULTIPLE LISTING SERVICE

Section 1. Authority. The Association of REALTORS shall maintain for the use of its members a Multiple Listing Service which shall be a lawful corporation of the state of Minnesota, all stock of which shall be owned by the Association of REALTORS

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation 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 databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease). (Amended 11/04)

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Section 3. Governing Documents. The Board of Directors shall cause any Multiple Listing Service established pursuant to this Article to conform its corporate charter, constitution, bylaws, rules, regulations, and policies, practices and procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the National Association of REALTORS.

Section 4. Participation. Any REALTOR[®] Member of this or any other member Board/Association who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in the Residential Multiple Listing Service upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the charges incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Residential Multiple Listing Service "Membership" or "Participation" unless they hold a current, valid real estate broker's license in the state or states where they conduct business and are capable of offering and accepting offer or accept 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 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 accepts cooperation and compensation 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 and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "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. (Adopted 11/08)

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation

and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. 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 make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation 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. (Adopted 11/08)

Section 5. Supervision. The activity shall be operated under the supervision of the Board of Directors in accordance with established Regional MLS Rules and Regulations,...

Section 6. 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 Residential 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 Residential MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

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Section 7. 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 of the Participant's licensed designee.

Section 8. Fees. All individuals licensed to or affiliated with an MLS Participant will be charged a monthly MLS fee. Exceptions to the charge will be considered if the MLS Participant certifies that the licensee is not engaged in any appraising, soliciting, listing or selling of residential real estate.