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BYLAWS OF THE

Upstate Alliance of REALTORS®, Inc.
DECEMBER, 11, 2003
(REVISED NOVEMBER 11, 2004)
(REVISED MARCH 6, 2006)
(REVISED MAY 4, 2006)
(REVISED SEPTEMBER 6, 2007)
(REVISED SEPTEMBER 15, 2008)
(REVISED MAY 18, 2009)
(REVISED OCTOBER, 2009)
(REVISED SEPTEMBER, 2010)
(REVISED MAY, 2014)
(REVISED DECEMBER, 2014)

ARTICLE I – NAME

Section 1 Name The name of this corporation shall be the Upstate Alliance of REALTORS®, Inc., 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

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 region in the Indiana Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

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

ARTICLE III – JURISDICTION

Section 1 The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is Allen, Whitley, Huntington, Adams, Jay, Wells Counties, Indiana. (Adopted 05-18-09)

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 OF REALTORS® in the terms.

ARTICLE IV – MEMBERSHIP

Section 1 Members There shall be the following classes of Members: REALTOR® Members, including Designated, Primary and Secondary, Franchise, Life, Emeritus REALTORS®; Institute Affiliate, Individual Affiliate, and Corporate Affiliate members.

A. REALTOR® Members REALTOR® Members, whether primary or secondary shall be:

- 1. REALTOR® Members/Managers** Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing, or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Indiana or a state contiguous thereto. All persons who are partners in a partnership and 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 an 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 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 Association/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 1 (b) of Article IV.

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

- 2. REALTOR® Members/Agents** Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.
- 3. Franchise REALTOR® Membership** Corporate officers who qualify (who may be licensed or unlicensed) of a real estate brokerage franchise organization with

at least one hundred fifty (150) franchises 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 are eligible. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except:

- a. obligations related to Association mandated education, meeting attendance, or indoctrination classes or other similar requirements;
- b. the right to use the term REALTOR® in connection with their franchise organization's name;
- c. 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 remits 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 of the NATIONAL ASSOCIATION OF REALTORS® and the payment of Association dues/assessments 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 qualification for REALTOR® Membership established in Article V, Section 2, of the Bylaws.
6. **Life Members** Such REALTOR® Members of the REALTOR® Alliance of Northern Indiana, Inc. who have reached the age of 65 and who have been active in the Upstate Alliance of REALTORS® Indiana, Inc. for 25 years or more and who show proof of one (1) year of service may elect to be reclassified to Life Membership. Service is defined as an officer, director, committee chair or RPAC Trustee at the local, state or national level. Life Members will not be required to pay local Association dues but will be required to pay National and State Association dues to retain the use of the term REALTOR® and the membership marks. Life Members will be eligible to hold office, vote, attend all meetings, and enjoy all other privileges of the Association. The qualifications for Life Membership may be altered on an individual basis by action of the Board of Directors. (Amended 12-14)
7. **REALTOR® Emeritus** Any person who has held membership in the National Association of REALTORS® for a cumulative of 40 years in one or more

Associations of REALTORS® is eligible for REALTOR® Emeritus status. Upon approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®, no further payment of dues is necessary to the National Association, Indiana Association of REALTORS® or the local Association. (Adopted 2007)

B. Affiliate Members

1. **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.
2. **Individual Affiliate Members** The Individual Affiliate Members shall be individuals or firms who, while not engaged in the real estate profession as defined in paragraph (A) of this Section, have interests requiring information concerning real estate, who are in sympathy with the objectives of the Association, who desire to hold their membership individually, and whose membership shall transfer with the individual.
3. **Corporate Affiliate Members** The Corporate Affiliate Members shall be individuals so designated by Corporations who are in sympathy with the objectives of the Association and, while not engaged in the real estate profession as defined in paragraph (A) or (B) of this Section, have interests requiring information concerning real estate, and whose membership, while individual, remains with the Corporation.

NOTE: 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 REALTORS® membership in the Association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property. Affiliate Members may not use the REALTOR® logo or hold office.

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 Association 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 the 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 local, the State and National Associations, and if elected a Member, will abide by the Bylaws of the Association, the Constitution and Bylaws of the State Association and NATIONAL ASSOCIATION OF REALTORS®, and if elected a REALTOR®, 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 Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended; and (2) that applicant consents that the Association may invite and receive information and comment about the applicant from any Member or other persons, and that the 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 of 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. Broker Qualification

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 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 (including trainees) by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary Member), has no record of recent or pending bankruptcy*, has no record of official sanction involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Association, and shall agree that if elected to membership, he will abide by the 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 and has not been adjudged bankrupt in the past one (1) year. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its Members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association fees for up to one (1) year from date that membership is approved or from the date 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 the bankruptcy."

** "No record of official sanctions involving unprofessional conduct" is intended to mean that the Association may only consider (i) judgments within the past three years of violations of: (1) civil rights law; (2) real estate license laws; (3) other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

(ii). 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 the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date. (Adopted 9/2008)

NOTE: NAR Bylaws prohibit Member Boards or Associations from knowingly granting REALTOR® membership to any applicant who has a violated sanction(s) which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics.

B. Agent Qualification

Individuals who are actively engaged in the real estate profession other than sole proprietors, partners, corporate officers or branch office managers in order to qualify for REALTOR® membership, shall at time of application be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Association (if a secondary Member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified (including trainees) by an appropriate state regulatory agency to engage in the appraisal of real property, have no record of official sanctions involving unprofessional conduct, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, shall take reasonable and nondiscriminatory written examination thereon as may be required by the Board of Directors, and shall agree in writing that if elected to membership 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. Applicants for Designated REALTOR® membership must also complete a mandatory Designated REALTOR® Orientation.

Qualification: "No record of official sanctions involving unprofessional conduct" is intended to mean that the Board must consider: (i.) judgments against the applicant within the past three years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct rendered by the courts or other lawful authorities (ii.) 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 the conviction or the final release of the applicant from all court ordered punishment imposed for that conviction, including not just confinement but also parole or probation, whichever is the later date.

C. Other Qualifying Factors/Provisional Membership

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

1. All finding 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

“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), 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 provisional membership is approved. Provisional Members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another Association with an ethics complaint or arbitration request pending, the Association may condition membership upon the applicant’s certification that he 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 abide by the decision of the hearing panel.

Section 3 Approval of Membership The procedure shall be as follows:

- A. Except for who do not meet the qualification standards in subsections 2.B and 2C. Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and payment in full of applicable Association dues and any application fees. Tendering of such dues and fees by the applicant shall not constitute payment until such funds are accepted by the Association. Pending the subsequent review of their application by the Association, Provisional Members shall be considered REALTORS® and shall be have, and be subject to, all of the privileges and obligations of membership. Upon completion of the review of the application by the Association, the Provisional member may either be elected to full membership or have his or her (the) provisional membership terminated. The Association’s decision to elect the individual to full membership or terminate the provisional membership will be based upon the standards set forth in subsections 2.B and 2.C and all other requirements of membership, such as the completion of a mandatory Orientation program within 180 days from the Association’s receipt of the application of membership.
- B. Dues shall be prorated from the first day of the month of the date of application and shall be non-refundable unless the Association 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 that the individual received Association services and any application fee.

- C. The Association may not terminate any provisional membership without providing the provisional Member with advance notice and an opportunity to appear before the Board Development Committee, to call witnesses on his behalf, to be represented by counsel, and to make such statements as he deems relevant. The Board Development Committee may also have counsel present. The Board Development Committee shall require that written minutes are made of any hearing before it, or it may electronically or mechanically record the proceedings.
- D. If the Board Development Committee determines that provisional membership should be terminated, it shall record its reason with the Association. If the Board Development Committee 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.
- E. The standard Orientation class will be waived if:
 - 1. The applicant has maintained an active membership in any local REALTOR® organization in the past 12 months or,
 - 2. The applicant has attended an Orientation class in the last two (2) years.

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 180 days from the date of application (or, alternatively, the date that provisional membership was granted) or two (2) Orientation classes will result in denial of the membership application or termination of provisional membership.

Designated REALTOR® applicants for membership must complete a Designated REALTOR® Orientation class within 180 days from the date of application (or, alternatively, from the date that provisional membership was granted), or within the next two (2) scheduled Designated REALTOR® Orientation classes. Failure to do so will result in denial of the 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®.

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

Section 6 Status Changes

- A. A REALTOR® or Affiliate member who changes the conditions under which membership is held is required to provide written notification to the Association within 30 days and must complete a new application. 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 directed by the Board of Directors.

A REALTOR® who is transferring his 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.

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

- B. There is no local application fee related to a change REALTOR® membership status. However, a new application packet must be submitted for a change in firms by a REALTOR®.

ARTICLE VI – PRIVILEGES AND OBLIGATIONS

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

Section 1 Violations 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/or Association Rules and Regulation consistent with these Bylaws, after hearings provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics or 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 by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS® and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 2 Discipline Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violation 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 3 Member Resignation 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 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 the former member was a REALTOR®.

Section 4 REALTOR® Members REALTOR® Members, whether primary or secondary, in good standing whose financial obligation to the Association are paid in full shall be

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 have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

A. Suspension or Expulsion If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with firm, partnership, or corporation is severed, whichever may apply. The membership of all other Principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than Principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (Non-Principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the 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. Notification of Suspension or Expulsion In any action taken against a REALTOR® Member for suspension or expulsion under Section 4(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and shall be advised that the provisions in Article VI, Section 4(a) shall apply.

Section 5 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®, 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 6 Corporate and Individual Affiliate Members Corporate and Individual Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

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

Section 8 Life Members Life Members will be eligible to hold office, vote, attend all meetings and enjoy all privileges of membership.

Section 9 Emeritus Members Emeritus REALTORS® will be eligible to hold office, vote, attend all meetings and enjoy the privileges of membership.

Section 10 Certification by REALTOR® Designated REALTOR® Members of the Association shall provide to the Association upon request a complete listing of individuals licensed or certified (including trainees) 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 licensees in the REALTORS® office(s). If Designated REALTOR® dues have been paid to another Association/Board based on said non-member licensees, the Designated REALTOR® shall identify the Association/Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2. (a) Of the Bylaws. Failure to fulfill this request by the deadline indicated in the notice may result in disciplinary action by the Board of Directors including fines, suspension or revocation of membership after a hearing before the Board in accordance with the Code of Ethics and Arbitration Procedure Manual. Designated REALTOR® Members shall also notify the Association of any additional individuals(s) licensed or certified with or affiliated with the firm(s) immediately upon date of affiliation or severance of the individual. Failure by the Designated REALTOR® to make such notification within three (3) business days of affiliation or severance shall make said REALTOR® liable for a fine levied by and as determined by the Board of Directors.

Section 11 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 in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, 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 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, alternately, by another Member of the Board of Directors selected by the highest ranking Officer not named in the complaint.

ARTICLE VII – PROFESSIONAL STANDARDS AND ARBITRATION

Section 1 Governance The responsibility of the Association and the 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 governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which by this reference 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 Duties and Responsibilities It shall be the duty and responsibility of every REALTOR® of this Association to abide by the Constitution, Bylaws and the Rules and Regulation 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 mediate and 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 Association as from time to time amended. (Amended 05-14)

Section 3 Regional Professional Standards Agreement The Association shall, by action of the Board of Directors, refer any Professional Standards matter to the Professional Standards Committee of another Association within Indiana by mutually agreed memo of understanding if the Association cannot produce enough properly qualified committee members and/or panelists to hear the particular matter; or if the Association determines that a party to a hearing would not be able to receive a fair hearing by a tribunal of the Association. (Amended 05-06)

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 the Bylaws.

ARTICLE VIII – USE OF THE TERMS REALTOR® AND REALTORS®

Section 1 Governance Use of the terms REALTOR® and REALTORS® by Members shall, at times, be subject to provisions of the Constitutions and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have 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 for in the Association’s Code of Ethics and Arbitration Manual. (Amended 05-2007 by NAR)

Section 2 Use of REALTOR® Logo REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their place 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 Use of the Term “REALTOR®” by a Firm A REALTOR® Member who is a Principal of a real estate firm, partnership, or corporation may use the terms REALTOR® or REALTORS® only if all of the Principals and managing brokers 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 of the Association or Institute Affiliate Members as described in Section 1(B) of Article IV.

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 Use of the Term “REALTOR®” by a Institute Affiliate Members Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, or the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX – STATE AND NATIONAL MEMBERSHIPS

Section 1 Cooperative Membership with Local, State, and National Associations The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Indiana 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 Indiana 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 a 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 membership.

Section 2 Discontinuation of the Use of the Term “REALTOR®” 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 its determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3 Enforcement of the Code of Ethics 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 Indiana Association of 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 REALTORS® 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. If an applicant withdraws the application prior to final approval, the application fee shall be refunded. If the application is not approved, the application fee shall be refunded.

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

A. Designated REALTOR® Members The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers (including trainees) who (1) are employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed with such REALTOR® Members, and (2) are not REALTOR® Members of any Association/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/Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association/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 the licensees affiliated with the Designated REALTOR® (as defined in (1.) and (2.) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association/Board.

Payment of dues must be made by the Designated REALTOR® upon affiliation as stated in Article VI, Section 11 of these Bylaws. Failure by the Designated REALTOR® to make dues payment upon affiliation shall make said REALTOR® liable for a fine levied by the Board of Directors.

1.) For the purpose of this Section, a REALTOR® Member of a Member Association/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 and 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 a 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 licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the Designated REALTOR®. Failure to submit the required reporting form by the date indicated may result in disciplinary action by the Board of Directors including fines, suspension or revocation of membership after a hearing before the Board in accordance with the Code of Ethics and Arbitration Procedure Manual.

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 year.

- B. **REALTOR® Members** The annual dues for each REALTOR® Member shall be established by the Board of Directors.
- C. **Life Members** Dues payable if any, shall be calculated as described in these Bylaws and shall be at the discretion of the Board of Directors.
- D. **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 the 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 Association. The National Association shall also credit \$25.00 to the account of the 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.

- E. **Corporate and Individual Affiliate Members** The annual dues of each Corporate and Individual Affiliate Member shall be established by the Board of Directors.

Section 3 Dues Payable Dues for all Members shall be payable annually, in advance, by the due date established annually by the Board of Directors. Dues shall be prorated from the first day of the month of the date of application for new members. Assessments for non-member salespeople are not prorated. (Amended 05-06)

In the event licensees or licensed or certified appraisers (including trainees) who hold REALTOR® membership are dropped for nonpayment of Association dues, and they remain with the Designated REALTOR®'s firm, the dues obligation of the Designated REALTOR®, as set forth in Article X, Section 2(A.), will be increased to reflect the addition of the non-member licensees.

Dues will be refunded in the case of a new applicant who is not accepted to membership or if annual dues are paid by the due date which is prior to the start of the calendar year and the membership is terminated prior to the start of the calendar year provided the Association is properly noticed of the termination. There is no refund of dues in any other circumstance. (Amended 09-07)

Section 4 Nonpayment of Financial Obligation

- A. **Nonpayment of Dues/Assessments** If dues, fees, fines, attorney fees, court costs, or other amounts related to the dues/assessments are not paid by the payment date established annually by the Board of Directors the non-paying member is subject to a late fee, suspension or termination of membership as determined by the Board of Directors.- The Designated REALTOR® will be notified of the nonpayment ten (10) days before the payment date of dues, assessments, attorney fees, court costs, or other amounts relating to dues. The REALTOR® membership will be terminated at the payment date of those who have not paid dues/assessments, unless the Designated REALTOR® notifies the Association within those ten (10) days that the agent's license has been returned to the State and the Association has been properly notified or the dues are paid. (Amended 5-06, 09-07)

When a REALTOR® Member is dropped due to non-payment of dues, assessments, fines, the nonpaying REALTOR® Member then becomes a non-member salesperson associated with a Designated REALTOR® and the Designated REALTOR® is responsible for payment of an increased non-member assessment as provided in Article X, Section 2, on or before the payment date unless that Designated REALTOR® submits a license transfer to the Association before the dues payment date. Noncompliance by the Designated REALTOR® will result in late fees and automatic termination of membership of the Designated REALTOR® at the end of the calendar year.

A former Member who has had his membership terminated for nonpayment of dues, fees, fines, attorney fees, court costs, or other assessments relating to dues, including amounts owed to the Association or the Association's Multiple Listing Service, duly levied in accordance with the provisions of these Bylaws or the provisions of any of its subsidiaries may apply for reinstatement after expiration of any applicable suspension period in a manner prescribed for new applicants for membership after making payment in full of all accounts due as of the date of termination.

Fees, fines, attorney fees, court costs, advertising costs or other assessments other than dues owed to the Association must be paid on or before the due date or membership will be automatically terminated 30 days after receipt of billing. Membership may be reinstated in a manner prescribed for new applicants after payment in full of all accounts due as of the termination date. Any such billing shall contain a statement that membership shall be terminated in 30 days if such payment is not received by the due date.

Reinstatement Upon Payment of Dues/Assessments: The reinstatement policy upon payment of dues, fines and assessments is as follows: Any individual who has held REALTOR® membership in the past twelve (12) months or has taken the Orientation Course in the past two (2) years will be eligible for REALTOR® reinstatement, which requires re-application, including an application fee, but does not require attendance at the Orientation class. Those who have been REALTOR® Members during the previous year must pay dues in full and fill out a new application if there is a status change. No local application fee will be charged if the membership is reinstated within 12 months.

- B. Unpaid Obligations** Fees, fines, attorney fees, court costs, or assessments other than dues owed to the Association must be paid on or before the due date or may be cause for terminating membership in the Association upon 30-day written notice to the Designated REALTOR®. Further, any Multiple Listing Services fees, fines, attorney fees, court costs, or other assessments that are not paid as directed by the Board of Directors of the Multiple Listing Service or the Board of Directors of the Association shall also be cause for terminating membership in the Association upon 30-day written notice to the Designated REALTOR®. However, no action shall be taken to suspend or expel a Member for non-payment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors.

Section 5 Deposits and Expenditures Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors. Unbudgeted expenditures in excess of \$50,000 may not be made unless authorized by 10% of the Association Members, eligible to vote, except for emergencies to be approved at the discretion of the Board of Directors.

Section 6 Notice of Non-payment of Financial Obligations of Members Any delinquent Association Member shall be notified in writing of all dues, fees, fines, assessments, attorney fees, court costs, or other financial obligations not paid before or on

the due date to the Association or Multiple Listing Service setting forth the amount owed and due date.

ARTICLE XI – OFFICERS AND DIRECTORS

Section 1 Officers The elected officers of the Association, who shall be REALTOR® Members, shall be a President-Elect, and a Secretary-Treasurer. The position of President shall be filled automatically by the previous year's President-Elect.

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.

Section 3 The Board of Directors The governing body of the Association shall be a Board of Directors. The Board of Directors shall consist of sixteen (16) members comprised of three (3) elected officers, Immediate Past President of the Association, and ten REALTOR® Members of the Association, plus an Affiliate Member and a REALTOR® Member engaged in a specialty aspect of the real estate business ("Specialty Member"). Every Board member shall have full voting privileges. The Board of Directors will be comprised of at least eight Principal Brokers, owners, partners or managers. An exception may be made for an officer whose status changes. Compliance would be addressed at the next election. (Amended 05-08)

During the period from July 1, 2009 until January 1, 2010, five (5) additional Directors shall be added to the Board of Directors with full voting privileges. Those persons serving in those temporary Director positions shall be the persons named in the Plan or Merger with the Adams, Jay, Wells County Board of Realtors®, Inc. Beginning with the election of Directors as provided herein in September 2009, the number of Directors shall be a minimum of sixteen (16) members and no more than twenty-one (21) members. In subsequent years as occur, the number of Directors shall be reduced to sixteen (16) members. One (1) member of the Board of Directors shall be from Huntington County, Indiana, and two (2) members shall be from Adams, Jay, or Wells County, Indiana, and the remainder from Allen and Whitley County, Indiana. (Adopted 05-18-09) (Amended 12-11-14)

- A. Terms of Office** Officers shall be elected for one-year terms. Directors shall be elected for staggered three-year terms, and may not serve more than two consecutive three-year terms. The Affiliate Director shall be elected for a two-year term and may not be elected to more than one two-year term. The Specialty Member shall be elected to a three-year term and may not serve more than two consecutive three-year terms. A period of one year must elapse before eligibility is restored.
- B. Staff** The Board of Directors shall employ such executive staff as it deems necessary for the purposes of management.

Section 4 Election of Officers and Directors At least one candidate is selected for the offices of President-Elect, and Secretary-Treasurer and Affiliate Director. There will be at

least two candidates for the position of Specialty Member and each open Director position to be filled on the Board of Directors. (Amended 05-06, 05-08)

- A. **Annual Election** The Annual Election will be held in September according to the procedure defined by the Board of Directors. No absentee ballots will be allowed. (Amended 05-06, 05-08)
- B. **Candidate Qualifications** All candidates must have been an active Member in good standing of the Association for at least two years and must have agreed to accept the responsibility of their office.

The selection of the candidates, shall undertake to maintain a reasonable balance between the various company sizes. No one entity with common ownership may have more than six representatives on the Board of Directors, including Specialty and Affiliate Directors. If the situation arises where any one company has more than six representatives serving on the Board of Directors, volunteer resignations will be sought to bring the structure of the Board of Directors into compliance. If volunteer resignations are not forthcoming, the Principal Broker of the firm will determine who serves by the next Board of Directors meeting. If the Principal Broker fails to act, the Board of Directors will determine who resigns.

- C. **Election Process** The persons receiving the greatest number of votes shall be elected to fill the open positions of the Board of Directors. If the vote is inconclusive because of a tie, the tied candidates shall be placed on a new ballot and votes shall be cast again with the person receiving the highest number of votes being declared elected. The tie shall be broken by a special election at a time and place selected by the Association Board of Directors. In the case of a second tie in a special election, the tie shall be broken by the Association Board of Directors.

Section 5 Vacancies Except for the office of the President, which shall be filled by the President-Elect, vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next election. Candidates to fill vacancies shall be nominated by the Board Development Committee.

Section 6 Removal of Officers or 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 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 will 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. Notice of the special meeting shall be sent to all voting members at least ten (10) days prior to the meeting. The meeting 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 members. Providing a quorum is present, a majority vote of Members present and voting shall be required to render a decision. A quorum for a special meeting shall consist of 10% of those eligible to vote.

ARTICLE XII – MEETING OF MEMBERS & DIRECTORS

Section 1 Meetings of Members

- A. **Annual Meetings** An Annual Meeting of the Association shall be held each year, the date, place, and hour to be designated by the Board of Directors and the financial status of the Association will be reported. (Amended 5/2006)
- B. **Meetings** Meetings of the Members may be held periodically as the President or the Board of Directors may determine, or upon written request of at least 15% of the Members eligible to vote.
- C. **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, the notice shall be accompanied by a statement of the purpose of the meeting.
- D. **Quorum** A quorum for the transaction of business of the Membership Meetings shall consist of 10% of the Members eligible to vote.

Section 2 Meetings of Directors and Quorum The Board of Directors shall designate a regular time and place for meetings. An attendance policy will be established by the Board of Directors. A quorum for the transaction of business of the Board of Directors shall be 60% of those eligible to vote. (Amended 5/2006)

Meetings may be attended by electronic voice communication. Directors may attend any meeting of the Board of Directors by means of any form of electronic voice communication, provided that all Directors can simultaneously hear the proceedings and be heard by all the other Directors in attendance at the meeting. Any meeting so held should be a formal meeting of the Board of Directors for all purposes, and any business may be transacted at such meetings that could be transacted if the Directors were assembled in physical proximity to each other.

A Director or committee member participating in a meeting by electronic means (all members participating may simultaneously hear each other) is deemed present at the meeting. A quorum for any meeting so held should be computed on the basis of all persons with voice contact with each other. (Amended 5/2006)

Any action which may be taken at a Board of Directors' meeting may be taken without a meeting if evidenced by one or more written consents describing the action taken, signed by each Director and included in the minutes or filed with the corporate records reflecting the action taken. For purposes of this section, a waiver granted by facsimile, E-mail, or other document transmitted electronically by a Director shall be deemed "signed by a Director." Action taken by written consent is effective when the last Director signs the consent unless the consent specified a different prior or subsequent effective date. (Amended 9/2008)

ARTICLE XIII – COMMITTEES

Section 1 Standing Committees The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, the following Committees: –Grievance, and Professional Standards. The President shall appoint Chairpersons from the REALTOR® Members (except where noted otherwise in this article), subject to the confirmation by the Board of Directors. (Amended 5/2006)

Appointments to the Professional Standards Committee and Grievance Committee shall be consistent with the cooperative Professional Standards Enforcement Agreement of the Association.

Section 2 Administrative Committees The Administrative Committees consist of the following: Board Development and Finance. (Amended 05-06)

- A. Board Development Committee** The President, with board approval, shall appoint at least three Board Members, including the committee chair, to serve for one year renewable terms. This committee provides continuous oversight of the bylaws, develops a roster of potential board members based on the board profile, nominates new directors, orients and trains board members, evaluates the governance process and the contributions of individual directors, and otherwise helps the board improve in governance. (Amended 05-06, 05-08)
- B. Finance Committee** The Finance Committee shall be comprised of the Association Secretary-Treasurer, President-Elect, the Secretary-Treasurer of the Multiple Listing Service Corporation, and at-large members selected by the Association's Secretary-Treasurer and approved by the Board of Directors. The Association Secretary-Treasurer shall act as Chairperson.

Section 3 Special Committees The President may appoint, subject to confirmation by the Board of Directors, special or ad hoc committees, task forces, focus or working groups, as deemed necessary.

Section 4 Committee Organization All committees, except those so designated by the Bylaws of the Association, Indiana Association of REALTORS®, or the NATIONAL ASSOCIATION OF REALTORS®, shall be such size and shall have duties, functions, and powers assigned by the President or Board of Directors except as otherwise provided in these Bylaws. (Amended 05-06)

Section 5 Committee Quorum A quorum of at least 50% of those members eligible to vote must be present for committees to transact business.

Section 6 President The President shall be an ex-officio voting member of all committees, taskforces and workgroups excluding Professional Standards, and Grievance. The President shall be notified of all committee meetings.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1 Fiscal Year The fiscal and elective year shall be January 1 through December 31.

ARTICLE XV – RULES OF ORDER

Section 1 Roberts Rules of Order 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 Amending the Bylaws These Bylaws may be amended by majority vote of the Members present and qualified to vote at any meeting at which a quorum of the REALTOR® membership is present, or by a majority vote of the membership, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the Meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy. These Bylaws may alternatively be amended by an online vote plainly stated in an email sent to all REALTOR® members asking for the online vote. The amendments would be deemed approved by a majority vote of the members provided the quorum requirement has been met. (Amended 05-08)

Section 2 Notification of Meeting to Amend Bylaws Notice of all meetings at which amendments are to be considered shall be distributed to every Member eligible to vote at least one week prior to the meeting.

Section 3 Amendments Requiring Authorization by the NATIONAL ASSOCIATION OF REALTORS® Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the 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 Distribution of Assets upon Dissolution 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 Indiana Association of REALTORS® or, within its discretion, to any other non-profit tax-exempt organization.

ARTICLE XVIII – MULTIPLE LISTING SERVICE CORPORATION

Section 1 Authority The Association shall maintain for the use of its members a Multiple Listing Service which shall be subject to the Bylaws of the Association of REALTORS®

and such rules and regulations as may be hereinafter adopted, lawful corporation of the State of Indiana, all the stock of which shall be owned by the Association.

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 among Participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, Analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a 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 to 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 Association/Board who is a Principal, sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the Principal, without further qualification, except as otherwise stipulated in these Bylaws shall be eligible to participate in the Multiple Listing Service 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 offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency engaged in the appraisal of real property.** Use of information developed or published by an Association/Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation," "Membership" or any right of access to information developed or published by an Association/Board Multiple Listing Service where access to such information is prohibited by law. **See NOTE at conclusion of this article.

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 11/09)

*Including training as specified in current MLS Rules and Regulations.

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

Optional qualification may be adopted at the local board's discretion: Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS Participant who has access to and use of the MLS-generated information shall complete an Orientation program of no more than eight (8) classroom hours devoted to the MLS Rules and Regulations and computer training related to MLS information entry and retrieval. Participant's are required to take Designated REALTOR® Orientation class within 180 days from the date of application (or, alternatively, the date that MLS Service was provided) or within the next two (2) scheduled Designated REALTOR® Orientation classes.

Section 5 Access to Comparable and Statistical Information Association Members who are actively engaged in real estate brokerage, management, appraising, land development, or building, but who do not participate in the Multiple Listing Service, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the Multiple Listing Service including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Association Members, who are 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 otherwise specified in the Multiple Listing Service Rules and Regulations. Association Members who receive such information, either as an Association service or through the Association's Multiple Listing Service, are subject to the applicable provisions of the Multiple Listing Service Rules and Regulations whether they participate in the MLS or not.

Section 6 Subscribers Subscribers of the Multiple Listing Service include non-Principal brokers, sales associates, and licensed and certified appraisers directly or indirectly affiliated (including appraiser trainees) with Participants.

Section 7 Governance The Directors of the Multiple Listing Service shall be nominated by the Participants of the MLS, and elected by the Association Board of Directors.

Section 8 Dissolution In the event the MLS shall at any time terminate its activities, the MLS Board of Directors shall consider and adopt a plan of liquidation and dissolution with the approval of the Participants thereof, and of the Association Board of Directors. Said plan shall provide for the collection of assets, the payment of all liabilities, and the remaining portions thereof shall be assigned to the parent corporation, namely, REALTOR® Alliance of Northern Indiana, Inc.

ARTICLE XIX

Section 1 Actions by Third Parties The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a Director, Officer, employee or agent of the Corporation) or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that no indemnification shall be made in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the Corporation. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, or itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2 Actions by or in the Right of the Corporation The Corporation shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, Officer, employee or agent of the Corporation) or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been

adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation.

Section 3 Indemnification as a Matter of Right or Discretion Any such Director, Officer, employee or agent who has been wholly successful, on the merits or otherwise, with respect to any claim, suit or proceeding of the character described herein shall be entitled to indemnification as of right. Except as provided in the preceding sentence, any indemnification hereunder shall be made at the discretion of the Corporation, but only if the Board of Directors, acting by a quorum consisting of Directors who are not parties to or who have been wholly successful with respect to such claim, action, suit or proceeding shall find that the Director, Officer, employee or agent has met the standards of conduct set forth in the first sentence of this Article. The Directors may request independent legal counsel (who may be regular counsel of the Corporation) to deliver to it their written opinion as to whether such Director, Officer, employee or agent has met such standards.

Section 4 Multiple Claims If several claims, issues, or matters of action are involved, any such person may be entitled to indemnification as to some matters even though he is not so entitled as to others.

Section 5 Advancement of Expenses The Corporation may advance expenses incurred in defending a civil or criminal action to, or where appropriate may, at its expense undertake the defense, or, any such Director, Officer, employee or agent upon receipt of an undertaking by or on behalf of such person to repay such expenses if it should ultimately be determined that he is not entitled to indemnification under this Article.

Section 6 Claims to which this Article Applies The provisions of this Article shall be applicable to claims, actions, suits or proceedings made or commenced before or after the adoption hereof and whether arising from acts or omissions occurring before or after the adoption hereof.

Section 7 Indemnification by this Article Not Exclusive The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of Incorporation or any agreement, vote of stockholder or disinterested Directors as matter of law or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall insure to the benefit of the heirs, executors and administrators of such a person.

Section 8 Insurance The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 9 Indemnification for Liabilities Under the Federal Securities Laws Insofar as indemnification for liabilities arising under the Securities Act of 1933 or the Securities Exchange Act of 1934 is permitted to Directors, Officers, employees and agents of the

Corporation pursuant to the provisions of this Article, the Corporation understands that the Securities and Exchange Commission is of the opinion that such indemnification may contravene federal public policy as expressed in such Acts, and therefore, may be unenforceable. Therefore, in the event that a claim for such indemnification is asserted by any Director, Officer, employee, or agent, and the Commission is still of the same opinion, the Corporation (except insofar as such claim seeks reimbursement from the Corporation of expenses paid or incurred by a Director, Officer, employee or agent in the successful defense of any action, suit or proceeding) will, unless the matter has theretofore been adjudicated by precedent deemed by the Corporation to be controlling, submit to a court of appropriate jurisdiction the questions of whether or not indemnification by it is against public policy as expressed in such Acts, and will be governed by the final adjudication of such issue.

NOTE: Throughout these Bylaws, the terms "he/him/his" shall be taken to also mean "she/her/hers" and "Board" may also be taken to mean "Association."