

**BYLAWS OF
THE ANDERSON/MADISON COUNTY ASSOCIATION OF REALTORS,
INC. 2009**

Article I – Name

Section 1. Name. The name of the organization shall be the Anderson/Madison County Association of REALTORS, Incorporated, hereinafter referred to as the “Association”.

Section 2. REALTORS. Inclusion and retention of 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 executing 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 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 shall include Madison County, Indiana.

Section 2. Territorial jurisdiction is defined to mean:

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

Article IV – Membership

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

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

- (1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, or 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, 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 in a Board of REALTORS within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section (b) of Article IV. (Amended 5/05)

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR membership, shall be required to hold REALTOR membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV. (Amended 1/01)

Note: REALTOR Members may obtain membership in a “secondary” Board in another state.

- (2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR Member and meet the qualifications set out in Article V.
- (3) 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 within the United States, its insular possessions and commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all the rights, privileges and obligations of REALTOR membership (including compliance with the Code of Ethics) except: obligations related to board mandated education, meeting attendance, or indoctrination classes or 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 board, 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 Board. One of the principals in a real estate firm must be a Designated REALTOR member of the Board in order for licensees affiliated with the firm to select the Board as their “primary” Board.
- (5) Designated REALTOR Members. Each firm (or office in the case of firms with multiple offices 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 Board dues as established in Article X of the Bylaws. The

“Designated REALTOR” must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm’s principal(s) and must meet all other qualifications for REALTOR Membership established in Article V. Section 2 of the Bylaws.

- (b) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation awarded by 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 or REALTOR-ASSOCIATE membership, subject to payment of applicable dues for such membership.
- (c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Board.
- (d) Public Service Members. Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.
- (e) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Board, or for the public.
- (f) Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at the institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

Article V - Qualification and Election

Section 1. Application.

(a) An application for membership shall be made in such a manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant. (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethic of the NATIONAL ASSOCIATION OF REALTORS, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the local Association, State and National Associations, and if a REALTOR Member will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and 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 Membership Committee or otherwise, 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 a basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification.

(a) An applicant for REALTOR Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply satisfactory evidence that they are actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Association, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. (Amended 5/04)

*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 or insolvency proceedings or, has not been adjudged bankrupt in the past three years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Board establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Board and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy. (Amended 5/01)

**No record of official sanctions involving unprofessional conduct is intended to mean that the Board may only consider judgments within the past three (3) years of violation 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. (Amended 5/01)

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR Member of the Association or a Designated REALTOR Member of another Association (if a secondary member) and must maintain a current valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisals of real property, 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 and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Membership Committee and shall agree in writing that if elected to membership he/she will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

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

- (1) All final findings of Code of Ethics violations and violations of other membership duties in any other Association within the past three (3) years
- (2) Pending ethics complaints (or hearings)

- (3) Unsatisfied discipline pending
- (4) Pending arbitration requests (or hearings)
- (5) Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.
- (6) 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) 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 on the applicant’s certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel. (Amended 1/01)

Section 3. Election

The procedure for election to membership shall be as follows:

- (a) Applicants for REALTOR membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS and shall be subject to all of the same privileges and obligations of membership. Provisional Membership is granted subject to review of and approval by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications of membership as established by the association’s bylaws, or, if the individual does not satisfy all of the requirements of membership, including completion of a mandatory orientation program within one year from the association’s receipt of their application, membership may, at the discretion of the Board of Directors, be terminated. (Amended 5/04)
- (b) Dues shall be computed from the date of application and shall be non-refundable unless association’s Board of Directors terminates the individual’s membership in accordance with the 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 Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call on his behalf, to be represented by counsel, and to make such statements as he deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.
- (d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of the 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 Board 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 (1) one calendar year of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

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 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. (Adopted 1/01)

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

Section 6. Status Changes.

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

they advised the Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR who is transferring their 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 board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

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

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

(c) Dues shall be prorated from the first day of the month in which the member is notified of election by Board of Directors and shall be based on the new membership status for the remainder of the year. (Revised 8/05)

Article VI – Privileges and Obligations

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

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Board Rules and Regulations not inconsistent with these Bylaws, after a hearing as 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. (Amended 5/04)

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

Section 4. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Board for dues, fees, fines or other assessments of the Board or any of its services, departments, divisions or subsidiaries, the Board may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint or arbitration request pending, the Board of Directors may condition the right of the

resigning member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding and will abide by the decision of the hearing panel.

(a) If the 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 arise while the former member as a REALTOR.

Section 6. REALTOR Members. REALTOR Members, whether primary or secondary, in good standing whose financial obligations to the Board are paid in full shall be entitled to vote and to hold elective office in the Association; may use the term REALTOR and REALTORS, which use shall be subject to the provisions of Article VIII; and have primary responsibility to safeguard and promote the standards, interests, and welfare of the Board 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 its business during the period of suspension, or until re-admission or REALTOR membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed or unless the REALTOR who is suspended or expelled removes themselves from any form or degree of management control of the firm for the term of suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR and REALTORS in connection with its business during the period of suspension or until the former Member is admitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS other than principals who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR Member (non-principal) elects to sever his/her connection with the REALTOR and affiliate with another REALTOR Member in good standing in the Board, whichever may apply.

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

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

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

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

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

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

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

Section 12. Certification by REALTOR. “Designated” REALTOR Members of the Association shall certify to the Association during the month of November on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR’S office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS shall also identify any non-member licensees in the REALTOR’S office(s) and if Designated REALTOR Dues have been paid to another Board based on said non-member licensees the Designated REALTOR shall identify the Association to which dues have been remitted. These declarations shall be used for the purposes of calculating dues under Article X, Section 2 (a) of the Bylaws. “Designated” REALTOR Members shall also notify the Board of any additional individuals licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of the individual.

Article VII – Professional Standards and Arbitration

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR Member of this Board to abide by the Constitution and Bylaws and the Rules and Regulations of the 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 the real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of this Association as from time to time amended.

Section 3. The responsibility of the Board and of Board 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 Board, which by this reference is made a part of these bylaws. (Amended 5/01)

Section 4. If a REALTOR member is found in violation of the Code of Ethics or other membership duty, a respondent will be assessed an administrative processing fee of \$150.00. (Adopted 8/05)

Section 5. AMCAR will charge a non-refundable arbitration filing deposit of \$500.00 to be used to cover the cost of arbitration. (Adopted 8/05)

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 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 3/07)

Section 2. REALTOR Members of the Board shall have the privilege of using the terms REALTOR and REALTORS in connection with their places of business within the state 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 corporation who are actively engaged in the real estate profession within the state or a state contiguous are REALTOR Members of the Association or Institute Affiliate Members as described in Section 1 (b) of Article IV.

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

Section 4. Institute Affiliate Members shall not use the terms REALTOR or REALTORS, or 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 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, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

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

imposed upon the terms.

Section 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS and agrees to enforce the Code among its REALTOR Members. The Board and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association 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 reasonable amount, not exceeding three times the amount of the annual dues for REALTOR Membership, which shall be required to accompany each application for REALTOR Membership and which shall become the property of the Association upon final approval of the application. *(Amended 1/02)*

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

- (a) **REALTOR Members.** The annual dues of each designated REALTOR member shall be an amount determined by the Directors, plus an amount equal to that amount times the number of real estate sales persons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are other-wise directly or indirectly licensed with such REALTOR Member, and (2) are not REALTOR Members of any Board in the state or state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR Member, nonmember licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the DR has paid dues based on said non-member licenses in another Board in the state or a state contiguous thereto, provided the Designated REALTOR notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR holds membership, and any other offices of the firm located within the jurisdiction of this board. *(Amended 08/05)*
- (1) 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 a branch 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 a REALTOR, or by any entity in which the REALTOR has a direct or indirect ownership interest and is engaged in other aspects of the real estate business provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity. *(Amended 5/04)*

A REALTOR with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR. *(Amended 5/04)*

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 or REALTOR-ASSOCIATE membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR or REALTOR-ASSOCIATE membership during the preceding calendar year. (Amended 5/04)

- (b) The annual dues of REALTOR Members other than the Designated REALTOR shall be only such base amount as determined by the Board of Directors.
- (c) **Institute Affiliate Member.** 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 Jan 02)

- (d) **Affiliate Member.** The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.
- (e) **Public Service Members.** The annual dues of each Public Service member shall be in such an amount as established annually by the Board of Directors.
- (f) **Honorary Members.** Dues payable, if any, shall be at the discretion of the Board of Directors.
- (g) **Student Members.** Dues payable, if any, shall be at the discretion of the Board of Directors

Section 3. Dues Payable. *Local dues* for all REALTOR Members shall be payable annually in advance on the first day of July and, when paid shall become the property of AMCAR. State and National dues and assessments and Affiliate dues shall be payable annually in advance on the first day of December. Dues shall be computed from the date of application and granting of provisional membership. If dues are not paid within 30 days a 20% fine will be assessed in addition to the dues. (Amended 5/01). (Amended 4/08).

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

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines or other assessments including amounts owed to the association are not paid within thirty days (30) after the due date, the nonpaying member is subject to a 20% assessment, in addition to the dues. Forty-five (45) days after the due date, the nonpaying member is subject to a 25% assessment of the original amount owed and membership of the nonpaying member shall automatically terminate unless within that time the amount due is paid. Assessments shall not be cumulative. – either a 20% or 25% assessment of the original amount due will be assessed. If not

paid within the above mentioned time frame, a Certified Letter from the Association President will be sent. However, no action shall be taken to suspend or expel a member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had his membership terminated for nonpayment of dues, fees, 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 and payment of a \$75.00 re-instatement fee. (Amended 3/07)

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

Section 6. Expenditures. The Board of Directors shall administer the day to day finances of the Association. Capital expenditures in excess of \$500.00 over the available cash on hand may not be made unless authorized, by a quorum of Association Members eligible to vote.

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

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

Article XI – Officers and Directors.

The governing body of the Association shall be a Board of Directors consisting of ten (10) REALTOR members plus the Past President, who will serve for one year. Elected Directors must have two year's experience as a REALTOR and must be in good financial and ethical standing with the Association. Directors shall be elected to serve for a term of two (2) years, and may serve two consecutive terms except that at organization. Two-thirds of the elected Directors shall be elected for terms of two years respectively, and one-third for lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many Directors shall be elected each year as are required to fill vacancies. (Amended 5/04)

Section 2. Officers. The Officers of the Association shall be: President, President Elect, and Secretary/Treasurer (may be the same person). They will be selected by a majority vote of the Board of Directors and will be selected from members of the Board of Directors. They will be elected for terms of one year and can serve no more than two consecutive terms. However, a President-elect can serve an additional year as Director if they are in their last year of their term, in addition to serving as Immediate Past President, if they are elected to serve as President. (Amended 5/04)

Section 3. Duties of the Officers. The duties of the Officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Secretary to keep the records of the Association and to carry on all necessary correspondence with the National Association of REALTORS and the Indiana Association of REALTORS.

Section 4. Election of Directors. At least one (1) month before the annual election, a Nominating Committee of five (5) REALTOR members shall be appointed by the current President. The Nominating committee shall select one candidate for each place to be filled on the Board of Directors. The report of the Nominating Committee shall be e-mailed to each member eligible to vote, at least three (3) weeks preceding the election. Additional candidates for Director to be filled may be placed in nomination by a petition signed

by at least twenty- (20) % of the REALTOR members eligible to vote. The petition shall be filed with the Secretary at least two (2) weeks before the election. The Secretary shall send notice of such additional nominations to all Members eligible to vote before the election. (Amended 3/07)

- (b) The election of Directors shall take place at the Annual Meeting. Election shall be by ballot or voice vote and all votes shall be cast in person. The ballot shall contain the names of all candidates. (Amended 5/04)
- (c) The current President shall have no more than two (2) meetings in October and November with the elected Directors to nominate and select officers for the succeeding term. The officers shall be President, who shall be elected for a one (1) year term, President Elect, who shall be elected for a one (1) year term, and nominated President the following year for one (1) year, and Secretary/Treasurer who shall be elected for a one (1) year term.

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

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

- (a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- (b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five days thereafter, a special meeting of the Board of Directors shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and render a decision on such petition.
- (c) The special meeting shall be noticed to all voting members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Board unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting of the hearing by Members. The removal of an Officer or Director from office shall be approved by a majority vote of the entire Board of Directors. (Amended 3/07)

Article XII – Meetings

Section 1. Annual Meetings. The annual meeting of the Association shall be held during October of each year, the date, place and hour to be designated by the Board of Directors. (Amended 5/04)

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meeting, and shall meet at least once each calendar quarter. Absence from three consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation. A quorum for the transaction of business shall consist of fifty-one (51%) percent of the Directors eligible to vote. (Revised 8/05)

Section 3. Other Meetings. Other meetings of the Members may be held at other times as the President of the Board of Directors may determine, or upon the written request of at least ten (10) % of the Members eligible to vote.

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

Section 5. Quorum. A quorum for the transaction of business shall consist of 15% of the Members eligible to vote.

Article XIII – Committees

Section 1. Committees. The President shall appoint from among the REALTOR Members, such Committees as he/she may deem necessary.

Section 2. Organization. All committees shall be of such size and shall have duties, functions, and powers as assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

Section 3. President. The President shall be an ex-officio member of all standing Committees except Grievance, Professional Standards and Nominating, and shall be notified of their meetings. (Amended 5/01)

Article XIV – Fiscal and Elective Year

Section 1. The fiscal and elective year of the Association shall be the calendar year. The fiscal and elective year shall be from the first day of January through the last day of December.

Article XV – Rules of Order

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

Article XVI – Amendments

Section 1. These Bylaws may be amended by a majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of the 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, and after giving the notice required by Indiana law, approve amendments to the Bylaws which are mandated by NAR policy.

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

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

Article XVII – Dissolution

Section 1. Upon the dissolution or winding up of 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 nonprofit tax exempt organization.