

REALTOR[®] Association of Pioneer Valley

Bylaws

[Date Accepted]

ARTICLE I: NAME

Section 1. Name

The name of this organization shall be the REALTOR® Association of Pioneer Valley, Inc., hereafter referred to as the "Association". The Scholarship Committee, and the Community Service Committee are placed under the REALTOR® Association of Pioneer Valley, Inc. Charitable and Education Fund, the charitable subsidiary of the REALTOR® Association of Pioneer Valley, Inc.

Section 2. REALTORS®

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

ARTICLE II: OBJECTIVES

The objectives of the Association are:

Section 1. Unity

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. Promote High Standards of Conduct

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. Unified Medium

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. Home and Property Ownership

To further the interests of home and other real property ownership.

Section 5. Engagement

To unite those engaged in the real estate profession in this community with the Massachusetts 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. Designation

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

ARTICLE III: JURISDICTION

Section 1. Territorial Jurisdiction

The territorial jurisdiction of the Association as a member of the National Association of REALTORS® shall include Franklin, Hampden and, Hampshire County.

Section 2. Territorial Jurisdiction Defined

Territorial jurisdiction is defined to mean:

The right and duty to control the use of the term(s) 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. Classes of Membership

There shall be five classes of Members as follows:

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, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Massachusetts, or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in an association of REALTORS® within the state or a state contiguous thereto, unless otherwise qualified for Institute Affiliate Membership as described in Section 1 of Article IV. Note: REALTOR® Members may obtain membership in a secondary Association in another state. In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 of Article IV.

(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) 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. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local association, state association and National Association.

(4) Primary and secondary REALTOR® Members. An individual is a primary Member if the Association pays state and National dues based on such Member. An individual is a secondary Member if state and/or 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 shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The Designated REALTOR®

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

Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation 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 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.

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 this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association or for the public. A recommendation for Honorary Membership may be made by any Association Member. Approval of such recommendation shall be by the Board of Directors at a regular or special meeting.

Life Members. Life Members shall include Active Members of the REALTOR® Association of Pioneer Valley, in good standing for a minimum of thirty-five (35) consecutive years, who have reached the age of sixty-five (65) years, have been actively engaged in the real estate profession and who have distinguished themselves by giving exemplary and meritorious service for the real estate profession and for the Association, including active service on the Association's Board of Directors, divisions, sections, and/or committees for at least five (5) cumulative years.

ARTICLE V: QUALIFICATION AND ELECTION

Section 1. Application

An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition of membership to thoroughly familiarize himself with the Code of Ethics of the National Association of REALTORS®, the Constitution, Bylaws, Policies, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitution, Bylaws, Policies and Rules and Regulations of the 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 may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification

An applicant for REALTOR® membership who is a sole proprietor, principal, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association that he or she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license issued by the State of Massachusetts or a state contiguous thereto, 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 of Massachusetts 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 Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics

of the National Association of REALTORS[®], and shall agree that if elected to membership, will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

* No pending or bankruptcy is intended to mean the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch manager is not involved in any bankruptcy proceeding or insolvency proceedings or has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be denied unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the applicant pay cash in advance for Association dues 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 proceeding, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

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

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. Any misuse of the term REALTOR[®] or REALTORS[®] in the name of the applicant's firm

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 board (if a Secondary Member), and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, member has an obligation to be aware of 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 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 Association, State Association, and the National Association.

“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*) provided all other qualifications for membership have been satisfied.

The Association may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS[®] and shall be subject to all of the same privileges and obligations of REALTOR[®] membership. 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.

An applicant for Affiliate Membership shall subscribe to the objectives of the REALTOR® Association of Pioneer Valley and agree to abide by the Association's *Bylaws* and *Policies*.

Section 3. Election

The procedure for election to membership shall be as follows:

The Chief Executive Officer (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may 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 final review of the application by the Board of Directors.

If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 180 days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.

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

If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Chief Executive Officer (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

Section 4. New Member Code of Ethics Training

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

Failure to satisfy this requirement within 180 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Section 5. Continuing Member Code of Ethics Training

Effective January 1, 2019, through December 31, 2021, and for successive three (3) year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the Massachusetts 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 three (3) year cycle shall not be required to complete additional ethics training until a new three (3) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three (3) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes

A REALTOR® who changes the conditions under which they hold membership shall be required to provide written notification to the association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) members but shall, during the period of transition from one status of membership to another, be subject to all 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 thirty (30) days of the date they advised the association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

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 thirty (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.

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

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

Dues shall be prorated from the first day of the month of the member's application date and shall be based on the new membership status for the remainder of the year.

ARTICLE VI: PRIVILEGES AND OBLIGATIONS

Section 1. Privileges and Obligations

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

Section 2. Violations of Bylaws and Association Rules

Any member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the National Association of REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation

by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Association, the State Association, and the National Association of REALTORS®.

Section 3. Authorized Discipline

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

Section 4. Resignation

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 Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to re-apply for membership upon payment in full of all such monies owed.

Designated REALTOR® Members shall notify the Association of all individuals who are currently issued a Massachusetts real estate license and who are employed by or affiliated with them as Independent Contractors (Licensees) within the State of Massachusetts. Designated REALTOR® Members shall also notify the Association when a Licensee ceases affiliation with said Designated REALTOR® Member. Each notification shall be in writing and shall be received in the Association's office within thirty (30) days after the commencement or cessation of such affiliation.

In the event a primary REALTOR® Member, other than a Designated REALTOR® Member, terminates his or her affiliation with a Designated REALTOR® Member (either temporarily or otherwise) then, in such event, the primary membership of said REALTOR® Member in the Association shall cease until such time as said REALTOR® Member is again affiliated with a Designated REALTOR® Member as set forth in Article V of these Bylaws.

Section 5. Reapplication Condition

If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint or arbitration request pending, the complaint shall be processed until the decision of the association with respect to the disposition of complaint is final by this Association (if respondent does not hold membership in any other association) or by any other Association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

Section 6. Right of REALTOR® Members

REALTOR® Members, whether primary or secondary, in good standing are entitled to vote and to hold elective office in the Association. Voting by proxy shall not be permitted. REALTOR® Members, whether primary or secondary, may use the terms REALTOR® and REALTORS. For purposes of this section, the term "good standing" means the member satisfies the "Obligations of REALTOR® Members", is current with all financial and disciplinary obligations to the association and MLS, has completed any new member requirements, and complies with NAR trademark rules.

If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, a trustee in a trust, or an officer in a corporation, or is an individual in a position of management control on behalf of any of the above, and is suspended or

expelled, the firm, partnership, trust, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until re-admission to REALTOR® Membership, or unless connection with the firm, partnership, trust, or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, trustees, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until re-admission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, trust, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until re-admission 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 of management control of the firm, the membership of other partners, trustees, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership, trust, 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 readmitted 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 re-admission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, trust, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR Member other than a sole proprietor in a firm, partner in a partnership, trustee in a trust, or an officer of a corporation, or an individual in a position of management control on behalf of any of the above, is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, trust, or corporation shall not be affected.

In any action taken against a REALTOR® Member for suspension or expulsion under Section 6 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 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®. No Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo, vote in association election of officers and directors, or hold an elective office of the Association.

Section 8. Affiliate Members

Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors. No Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo, vote in association election of officers and directors, or hold an elective office of the local association.

Section 9. Honorary Members

Honorary Members shall only have the right to attend meetings and participate in discussions.

Section 10. Life Members

Life Members shall be subject to all obligations, except as set forth in Article X and have all the rights and privileges of REALTOR® Members, as applicable.

Section 11. Certification by REALTOR®

Designated REALTOR® Members of the Association shall certify to the Association during the third quarter a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another association based on said non-member licensees, the Designated REALTOR® shall identify the association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X of the Bylaws. Designated REALTOR® Members shall also notify the Association of any additional individuals licensed or certified with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual.

Section 12. Change of Address

A REALTOR® Member who changes the address of such REALTOR®'s principal place of business or the address of any branch office of such REALTOR® shall, within ten (10) days of each such change of address, notify the Association in writing of the new address.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. Code of Ethics and Arbitration Manual

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 from time to time amended, which by this reference is made a part of these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. Duty to Abide by State and National Constitutions

It shall be the duty and responsibility of every REALTOR® Member of this Association to safeguard and promote the standards, interests, and welfare of the association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members must also abide by the governing documents and the policies of the association, the Massachusetts Association of REALTORS®, and the National Association of REALTORS®, as well as the Code of Ethics of the National Association of REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual.

Every REALTOR® member shall maintain a high level of integrity and adhere to the association's membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership.

ARTICLE VIII - USE OF THE TERMS REALTOR® & REALTORS®

Section 1. Use of the terms REALTOR® and REALTORS®

Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the National Association of REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

REALTOR[®] Members of the Association shall have the privilege of using the terms REALTOR[®] or 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 Membership shall have this privilege.

Section 2. Use of the terms REALTOR[®] and REALTORS[®] by Principals

A REALTOR[®] Member who is sole proprietor of a real estate firm, partner in a partnership, officer in a corporation, branch office manager, or trustee in a trust may use the terms REALTOR[®] and REALTORS[®] only if all the proprietors, partners, officers, branch office managers, or trustees of such firm, partnership, corporation, or trust 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 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 3. Use of the terms REALTOR[®] and REALTORS[®] by Institute Affiliates

Institute Affiliate and Affiliate Members shall not use the terms REALTOR[®] or REALTORS[®], nor the imprint of the emblem seal of the National Association of REALTORS[®].

Section 4. Use of the Association Logo

The Association logo is trademark work in which the Association retains all rights. Any use of this logo without the express written consent of the Association is prohibited. If the use of any Association logo is permitted by the Association, the person using the logo must clearly indicate that logo is trademarked.

Section 5. Copyright

Use of any materials that holds a copyright, without expressed written consent of the owner of the copyright, is prohibited.

ARTICLE IX - STATE & NATIONAL MEMBERSHIPS

Section 1. State and National Membership

The Association shall be a member of the National Association of REALTORS[®] and the Massachusetts Association of REALTORS[®]. By reason of the Association's Membership, each REALTOR[®] Member of the Association shall be entitled to membership in the National Association of REALTORS[®] and the Massachusetts 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 (1) month in advance of the date Designated for the termination of such membership.

Section 2. Use of the terms REALTOR[®] and REALTORS[®] as NAR Member

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 the Association has violated the conditions imposed upon the terms.

Section 3. Adoption of NAR Code of Ethics Agreement

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 and the Massachusetts Association of REALTORS®.

ARTICLE X - DUES AND ASSESSMENTS

Section 1. Application Fee

The Board of Directors may adopt a non-refundable application fee for REALTOR® membership in reasonable amount, not exceeding three (3) times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership.

Section 2. Reassociation Fee

If a REALTOR® Member resigns from the Association and, within one (1) year after the date of resignation, decides to reassociate with the Association, a reassociation fee of an amount established annually by the Board of Directors and shall be due and payable by the applicant upon submission of the reassociation paperwork. This sum does not include the reassociation fees, if any, charged by the Massachusetts Association or the National Association of REALTORS® which fees shall be separately charged to the applicant. Also, any outstanding fees and/or dues owing to the Association by the applicant shall be paid or brought current at the time of reassociation.

Section 3. Office Transfer Fee

The Board of Directors may adopt an Office Transfer Fee at an amount determined annually by the Board of Directors.

Section 4. Dues

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

For the purpose of this Section, a REALTOR® Member of the 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, trustee, corporate officer or branch manager of a real estate firm, partnership, trust, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the National Association of REALTORS®.

An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect

ownership interest and which is engaged in soliciting and/or referring clients or customers to the REALTOR[®] or his firm on a substantially exclusive basis or which is engaged in other aspects of the real estate business (except as provided for in Section 2 hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, trustee, or corporate officer of the entity.

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

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR[®] 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.

The annual Association dues of each Institute Affiliate Member shall be 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 (\$105). The National Association shall credit \$35 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 \$35 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 \$35 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.

The annual Association dues of the first Affiliate Member from a company shall be an amount established annually by the Board of Directors; each additional individual affiliate member from said company shall pay an amount established annually by the Board of Directors plus the annual dues for membership in the Massachusetts Association of REALTORS[®], if such membership is available.

The annual Association dues of Honorary Members shall be at the discretion of the Board of Directors.

The annual Association dues of each Life Member shall be waived. Life Members shall continue to be responsible for NAR and MAR dues, if applicable, as well as all dues required to be paid pursuant to Article X, Section 2, as applicable.

Section 5. Dues Payable

Dues for all Members 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.

In the event a sales licensee or licensed or certified appraiser who holds REALTOR[®] membership is dropped for nonpayment of Association dues, and the licensee remains with the "Designated" REALTOR[®]'s firm, the dues obligation

of the "Designated" REALTOR® (as set forth in Article X will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty (30) days of the notice of termination.

Section 6. Nonpayment of Financial Obligations

If dues, fees, fines, or other assessments including amounts owed to the Association are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors, or, a penalty will be imposed, as set forth by the Board of Directors. The amount of said penalty will be determined annually by the Board of Directors. Two (2) months after the due date, membership of the non-paying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

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 shall be noticed to the delinquent Association Member in writing, setting forth the amount owed and due date.

The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the board of directors.

NOTE: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the association is assessed for a REALTOR® member, times the number of REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® members of the association. The dues obligation of such individuals to the local association should be reduced to reflect the reduction in the association's dues obligation to the National Association. The association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the association's obligation to the State Association with respect to such individuals. Member Boards should determine whether the dues payable by the association to the State Association are reduced with respect to such individuals. It should be noted that this does not affect a "designated" REALTOR®'s dues obligation to the association with respect to those licensees employed by or affiliated with the "designated" REALTOR® who are not members of the local association.

ARTICLE XI: OFFICERS AND DIRECTORS

Section 1. Officers

The elected officers of the Association shall be: a President, a President-Elect and a Treasurer. They shall be elected for terms of one (1) year. The President-Elect shall automatically succeed to the position of President, in the year after their term, without the necessity of standing for election. In order to serve as an Officer, a member shall have served at least one (1) term as a Director. All Officers must be active REALTOR® members of the Association. There shall also be a non-elected Chief Executive Officer of the Association.

Section 2. Duties of Officers

The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the duty of the Chief Executive Officer to keep records and carry on all necessary correspondence with the Massachusetts Association of REALTORS® and the National Association of REALTORS®

Section 3. Board of Directors

The governing body of the Association shall be a Board of Directors consisting of the elected officers, the Immediate Past President and nine (9) REALTOR® members of the Association. A firm, partnership, trust, corporation or other business entity may not have more than three (3) members on the Board of Directors. The Chief Executive Officer shall be a non-voting member of the Board of Directors.

To serve on the Board of Directors a member must be an active REALTOR® member and must have held REALTOR® membership in the Association for at least one (1) year prior to election and must have served on a Committee, Task Force, or President's Advisory Group (PAG) for one (1) year within the past three (3) years.

The term of office for Directors shall be two (2) years, with approximately one-half elected each year. Directors will be limited to serving six (6) consecutive years, including appointed and/or elected terms with service as an Officer not included in that limitation. The Immediate Past President, President and President-Elect shall be held over without election.

Section 4. Leadership Team

The Leadership team, chaired by the current President and shall be composed of all Officers elected by the Board of Directors or their successors, and the Immediate Past President of the Association as well as the Chief Executive Officer who shall be a non-voting member. The Leadership Team shall meet at the call of the President. The Leadership Team may only make recommendations to the Board of Directors for its consideration and action and may not act on behalf or exercise the authority of the Board of Directors except to transact business of an emergency nature between meetings of the Board of Directors, while reporting such actions at the next Board of Directors meeting for confirmation.

The Leadership Team shall be responsible for the annual review of the Association Chief Executive Officer.

Section 5. Election of Officers and Directors

The Certification Task Force shall certify all candidates for the available Director positions.

Voting for Directors shall take place each year on a day(s) designated by the Board of Directors. Ballots will be tabulated after the polls close and results of the election will be announced no later than the Annual Meeting. The Officers of the Association shall be elected by the current Board of Directors.

Section 6. Officer/Director Vacancies Occurring During the Year

Vacancies among the Officers will be filled by simple majority vote of the Board of Directors.

Vacancies among the Directors may be filled by the first runner-up from the current election who meets all other election criteria. In the event that this is not possible the vacancy may be filled by Presidential appointment, approved by simple majority vote of the Board of Directors.

Section 7. Removal of Officers and Directors

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

A petition requiring the removal of an Officer or Director and signed by no 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.

Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the officer or Director, and to render a decision on such petition.

The special meeting shall be noticed to all voting Members at least seven (7) days prior to the meeting, and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

Section 8. State & National Directors

The Certification Task Force shall certify the candidate(s) for any open MAR and NAR Director position(s) and report all certified candidates to the President in accordance with the election process outlined in the Policy Manual.

Section 9. Chief Executive Officer

The Board of Directors may employ a Chief Executive Officer who shall serve as the administrator in execution of Association policy and other duties as may be designated by the Board of Directors. The Chief Executive Officer shall be the head of the Association staff and is charged with its selection and supervision.

ARTICLE XII: MEETINGS

Section 1. Annual Meeting

The annual meeting of the Association shall be held between September 1st and November 30th each year, the date, place and hour to be designated by the Board of Directors.

Section 2. Other Meetings

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

Section 3. Membership Meeting Quorum

A quorum for the transaction of business shall consist of a majority of those present of the members eligible to vote.

Section 4. Committee Meeting Quorum

A quorum for the transaction of business shall consist of twenty-five (25) percent of the committee's membership or three (3) members of the committee, whichever is greater. The Chair of the committee shall be counted towards attaining a quorum and shall be afforded the ability to make or break a tie vote.

Section 5. Notice of Meetings

Notice shall be distributed to every Member entitled to participate in the meeting at least five (5) business days prior to all meetings, and it shall be accompanied by a statement of the purpose of the meeting.

Section 6. Meetings of Directors

The Board of Directors shall designate a time and place for regular meetings.

ARTICLE XIII: COMMITTEES

Section 1. Standing Committees

The President shall appoint from among the active Members, subject to confirmation by the Board of Directors the following standing committees:

Finance, Government Affairs and Professional Development

Appointments to the Professional Standards and Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Association.

Section 2. Leadership Team

The Leadership team, chaired by the current President and shall be composed of all Officers elected by the Board of Directors or their successors, and the Immediate Past President of the Association as well as the Chief Executive Officer who shall be a non-voting member. The Leadership Team shall meet at the call of the President. The Leadership Team may only make recommendations to the Board of Directors for its consideration and action and may not act on behalf or exercise the authority of the Board of Directors except to transact business of an emergency nature between meetings of the Board of Directors, while reporting such actions at the next Board of Directors meeting for confirmation.

The Leadership Team shall be responsible for the annual review of the Association Chief Executive Officer.

Section 3. Special Committees

The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary. Special Committees shall include but are not limited to Presidential Advisory Groups, Task Force and Work Groups.

Section 4. Committee 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. The President shall appoint the chairperson of each committee.

Section 5. President

The President shall be an ex-officio member of all standing and special committees, except the Grievance and Professional Standards Committees, and shall be notified of their meetings.

Section 6. Action Without Meeting

Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee.

Section 7. Remote Attendance

Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment as stated in the Policy Manual.

Section 8. Removal from Committee

Any committee member that does not abide by the committee policies as outlined in the Policy Manual shall be removed from the committee.

ARTICLE XIV- FISCAL AND ELECTIVE YEAR

Section 1. Fiscal and Elective Year

The fiscal and elective year of the Association shall be the calendar year.

ARTICLE XV - RULES OF ORDER

Section 1. Robert's 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. Amendments

These Bylaws may be amended by the majority vote of the members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, 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.

Section 2. Notice of Amendments

Notice shall be made of all meetings at which amendments are to be considered to all members eligible to vote at least seven (7) business days prior to the meeting.

Section 3. Amendments Continued

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. Dissolution

Upon the dissolution of this association, the board of directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Massachusetts Association of REALTORS® or, within its discretion, to any other non-profit tax-exempt organization.