

BYLAWS OF THE CARROLL COUNTY REALTORS®

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BYLAWS OF THE
CARROLL COUNTY REALTORS®

ARTICLE I - NAME

Section 1: Name - The name of this organization shall be the Carroll County REALTORS®, hereinafter referred to as the "Association".

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

ARTICLE II - OBJECTIVES

The objectives of the Association are:

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

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

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

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

Section 5: To unite those engaged in the real estate profession in this community with the Maryland Association of REALTORS®, Inc., 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 Carroll County, Maryland, and as allocated by the Board of Directors of the NATIONAL ASSOCIATION.

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

ARTICLE IV - MEMBERSHIP

Section 1: There shall be six classes of membership as follows: REALTOR®; Institute Affiliate; Affiliate; Public Service; Honorary; and Student.

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

(1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers possess a valid real estate license, or are licensed by an appropriate state regulatory agency to engage in the appraisal of real property and 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 Maryland 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/Board of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Association 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.

(2) Individuals who possess a valid real estate license, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and 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 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/Board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; the right to hold elective office in the local Association/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 Association/Board. One of the principals in a real estate firm must be a Designated REALTOR® Member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.

(5) **Designated REALTOR® Members.** Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

(b) **Institute Affiliate Members:** Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

(c) **Affiliate Members** shall be: Real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraph (a) and (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association. Further, Affiliate Membership may be granted to licensed or certified appraisers who, though otherwise eligible, elect not to hold REALTOR® Membership in the Association.

(d) **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** 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.

(f) **Student Members** shall be: Individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at 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 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 has had access to, has carefully reviewed, and if elected a Member, will abide by the Constitution and Bylaws and 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 if a REALTOR®, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the obligations 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, as from time to time amended, and (2) that applicant consents that the Association, through its Membership Benefits & Engagement Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the 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.

(a) Requirements for qualification for membership, in addition to those expressed in these Bylaws, may be adopted by a majority of the REALTOR® Members of the Association present and voting at any regular meeting, provided such requirements do not conflict with these Bylaws or the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Benefits & Engagement Committee that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no 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 pass such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

*No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the 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 Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

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

NOTE 1: One or more of the requirements for REALTOR® Membership set forth above in Article V, Section 2(a) may be deleted at the Board's discretion. However, Boards may NOT adopt membership qualifications more rigorous than specified in the Membership Qualification Criteria for REALTOR® Membership approved by the Board of Directors of the National Association.

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

(b) Individuals who are engaged in the real estate profession other than as a principal, partner, corporate officer, branch office manager in order to qualify for REALTOR® Membership shall at the time of application possess a valid real estate license, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and 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/Board (if a secondary member) who maintains an established real estate business.

(c) An applicant for REALTOR® Membership shall, prior to election as set forth in Section 3 of this Article, attend and successfully complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the Maryland Association of REALTORS®, and the constitution, Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and in the discretion of the Membership Benefits & Engagement Committee, shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Membership Benefits & Engagement Committee.

(d) An applicant for REALTOR® Membership shall supply evidence to the Membership Benefits & Engagement Committee that applicant possesses a valid real estate license, or is licensed or certified by an appropriate regulatory agency to engage in the appraisal of real property and is actively engaged in the real estate profession and is employed by a REALTOR® or affiliated with a REALTOR® as an independent contractor and shall agree that if elected to membership will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and the Constitution, Bylaws and Rules and Regulations of the local, State, and NATIONAL ASSOCIATIONS, and shall, if required, satisfactorily complete a reasonable and nondiscriminatory written examination on such Code, Constitution, Bylaws, Rules and Regulations.

(e) 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 this or 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® in the name of the applicant's firm.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section (2) (a) NOTE 2) 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. (Amended 11/09)

Section 3: Election.

The procedure for election to membership shall be as follows:

(a) The chief staff executive (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.

(b) 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 60 days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. 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. 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.

(c) 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.

(d) If the board of directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (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. (Adopted 1/98, Amended 1/05)

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 sixty (60) 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.

NOTE: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

Section 5: Continuing REALTOR® Code of Ethics Training:

Effective January 1, 2019, through December 31, 2021, and for successive three 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 State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized education 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 for which REALTOR® membership shall be suspended until such time as the training is completed.

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

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

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

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

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

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations consistent 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 of the Membership Benefits & Engagement Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. 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 NATIONAL ASSOCIATION OF REALTORS®, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION.

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

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the 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 ethic 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®.

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 6. REALTOR® Members. Only REALTOR® Members, whether primary or secondary, in good standing are entitled to vote and to hold elective office in the Association; and may use the term REALTOR®. 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's rules.

(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

if suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the 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 connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply.

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

(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®, except that an Institute Affiliate Member may not use the term REALTOR® or the REALTOR® logo; may not serve as President of the Association and may not be a participant in any multiple listing service.

Section 8. Affiliate Members. Affiliate Members shall not have the right to vote at the Annual Meeting of the Association or at any meeting(s) of the Members of the Association or serve as an elected officer of the Association. Affiliate Members, however, if duly nominated and elected as provided in these Bylaws, shall be eligible to serve as a Director of the Association and, if so nominated and elected, shall have full voting privileges as a Director during the term of elective office. Affiliate Member(s) nominated and elected to serve as a Director, at all times during the term of elective office, must be an Affiliate Member, in good standing, of the Association. Not more than three (3) Affiliate Members may serve concurrently as a Director on the Board of Directors. Affiliate Members shall have such other privileges, rights and be subject to obligations as may be prescribed from time to time by the Board of Directors.

Section 9. Public Service Members. Public Service Members shall not have the right to vote or to hold elective office in the Association but, shall have privileges and rights and be subject to obligations as may be 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 privileges and rights and be subject to obligations prescribed by the Board of Directors.

Section 12. Revocation or Suspension of License, Effect. Any REALTOR® Member of this Association holding a license as a real estate broker, associate broker or salesperson, or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property whose license or certification as such, for any reason, shall be revoked, shall automatically, and without the necessity of a hearing, be summarily expelled from membership in this Association. Any such REALTOR® Member of this Association, whose said license shall be suspended, shall automatically and without the necessity of a hearing, be summarily suspended from membership in this Association, and, in the event of any such suspension of membership, such suspension shall remain effective until receipt of a written request from any such REALTOR® Member for termination of the suspension of membership and approval of such request by a majority vote of the Board of Directors present and voting at any meeting of the Board of Directors. For the purpose of this section, any such REALTOR® Member's license shall not be deemed to have been revoked or suspended until the time for any appeal provided by law shall have expired, or, in the event any such appeal is taken and the revocation or suspension of the license shall be stayed during the pendency of such appeal, until a final ruling affirming the revocation or suspension of such license has been rendered. Nothing herein contained shall be construed as a limitation upon the powers of the Committee on Professional Standards and Ethics, as provided in Article VII of these Bylaws, or upon the powers of the Executive Committee, as provided in Article XIV of these Bylaws.

Section 13. Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association not later than June 30 on a form provided by the Association, a complete listing of all individuals licensed or certified with the REALTOR®'S firm(s) and shall designate a primary Association/Board for each individual. 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, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 30 (thirty) days of the date of affiliation or severance of the individual.

Section 14. Harassment.

(a) Any member of the Association may be disciplined for harassment of an Association employee or Association officer or director after an investigation in accordance with the procedures of this Section. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. An investigatory team comprised of the President, President-Elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint shall investigate any written complaint of harassment as received. In the event the investigatory team concludes, by majority vote, that an act of harassment has occurred, the investigatory team shall determine and recommend appropriate disciplinary action against the member. Disciplinary action may include any sanction authorized in the NAR Code of Ethics and Arbitration Manual. If the complaint names the President or President-Elect, they may not be a member of the investigatory team and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors and selected by the highest ranking officer not named in the complaint.

(b) The written findings and report of the investigatory team and the recommendation for disciplinary action, if any, shall be provided to the Board of Directors for consideration. The Board of Directors at a meeting duly called and at which a quorum is present shall, by majority vote, accept the report of the investigatory team and shall impose such disciplinary action, if applicable, as deemed appropriate.

(c) In addition to the provision of subsection (a) of this Section 14, if a member presently serves on any Association committee or task force, disciplinary action may also include the removal of the member from such committee or task force.

(d) In addition to the provisions of subsection (a) of this Section 14, any elected officer or director of the Association may be removed from office for harassment of an Association employee or officer or director. If the recommendation of the investigatory team is to remove the elected officer from office, the officer or director will be given the opportunity to resign. If he or she refuses to resign, the report from the investigatory team will be provided to the Board of Directors for final determination. The Board of Directors may remove the officer or director from office by a majority vote.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the National Association of REALTORS® 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 is by this reference incorporated into these Bylaws, as adapted to be consistent with State law.

Section 2. 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 also must abide by the governing documents and policies of the Association, the State Association, 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. Hateful conduct as herein referenced is to be defined in accordance with the National Association of REALTORS® Code of Ethics and Arbitration Manual, Appendix XII to Part Four, Appropriate Interpretation of Standards of Practice 10-5 and Statement of Professional Standards Policy 29.

Section 3. The responsibility of the Association and Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the Statewide Professional Standards Cooperative Enforcement Agreement, as from time to time amended, entered into by the Association which by this reference is made a part of these Bylaws.

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

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.

Section 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all of the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members or Institute Affiliate Members as described in Section 1(b) of Article IV.

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

Section 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIP

Section 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Maryland Association of REALTORS®, Inc. By reason of the association's membership, each REALTOR® Members of the Member Board shall be entitled, without further payment of dues, to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Maryland Association of REALTORS®, Inc. 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 Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the NATIONAL ASSOCIATION and the Maryland Association of REALTORS®.

ARTICLE X - DUES, FEES AND FINANCES

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. If the application for membership is not approved, the fee if any, shall be refunded to the applicant.

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

(a) Designated REALTOR® Members Dues. The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers 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 state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in Section 2 (a) (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the 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 Association.

(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, or corporate officer or branch office manager of the firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, 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®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.

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® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

(b) REALTOR® Members Dues. The annual dues of REALTOR® Members other than the Designated REALTOR® shall be an amount determined annually by the Board of Directors.

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

NOTE: The Institutes, Societies and Councils of the National Association of REALTORS® shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members \$105.00. The National Association shall credit \$35.00 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 \$35.00 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 \$35.00 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.

(d) Affiliate Members. 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 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. Beginning with the fiscal year 1992-1993, dues for all members shall be payable annually in advance on the first day of September. Dues shall be computed from the first day of the quarter in which a Member is notified of election and shall be prorated for the remainder of the year. Unless otherwise provided herein, all fees, dues and any other monies paid to the Association shall be non-refundable; subject however to the right of the Board of Directors to refund, in its discretion and upon good cause shown, all or a portion of any such fees, dues or monies so paid.

(a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the designated REALTOR®'S firm, the dues obligation of the "designated" REALTOR® (as set forth in Article X, Section 2(a)) will be increased to reflect the addition of 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. Additional Fees and Charges. The Board of Directors, subject to the applicable policies and procedures of the NATIONAL ASSOCIATION OF REALTORS® may, from time to time and in its sole discretion, adopt or amend rules, regulations or policies to impose and assess additional fees and charges in addition to any application fee as provided in Section 1 of this Article X; dues as provided in Section 2 of this Article X; and a late fee as provided in Section 5 of this Article X. Such additional fees and charges shall be imposed on a uniform basis to all Members of the Association for any administrative and processing matters involving Association Members including, but not limited to, change of address; change of office affiliation; change of membership status; charges for any checks returned to the Association for insufficient funds not to exceed the maximum allowable charge as permitted under Maryland law; duplicate or replacement certificates for completion of continuing education programs; and such other administrative and processing matters as shall be designated by the Board of Directors from time to time. All fees and charges as permitted under this Section, except for any charge imposed for checks returned for insufficient funds, shall be in such amount as reasonably calculated to represent the cost to the Association in the administration or processing of such matters. All such additional charges and fees shall be non-refundable except as provided in Section 1 and Section 3 of this Article X.

Section 5. Non-Payment of Dues, Additional Fees, Additional Charges and Late Fees. If dues, additional fees, or charges as provided under Section 4 of this Article or late fees as provided under this Section 5 are not paid within one month after the due date, the Member is subject to suspension of membership at the discretion of the Board of Directors. Two months after the due date, the Member is subject to termination of membership at the discretion of the Board of Directors. Three months after the due date, membership shall automatically terminate unless within that time the amount

due is paid. A former Member who has had their membership terminated may apply for reinstatement in the manner prescribed for new applicants for membership, after making payment in full of all past due accounts. If dues are not paid within one month of the due date, the Member shall be assessed and shall pay a \$100.00 late fee and, if not paid within two months, the Member shall be assessed and shall pay a \$200.00 late fee.

Section 6. 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 7. Expenditures. The Board of Directors shall administer the finances of the Association but shall not incur an obligation in excess of \$100.00 over the available cash on hand without authorization by vote of a majority of REALTOR® Members present and qualified to vote at any Annual or other meeting of the Members at which a quorum is present.

Section 8. Budget. A budget of expenses in keeping with the income of the Association, after adoption by the Board of Directors shall be supervised annually by the Executive Committee, and no expenditures of the Association's funds not provided for in this budget shall be made unless first approved by the Executive Committee and by the Board of Directors.

Section 9. Checks, Drafts, Etc. All checks, drafts, order for the payment of money, and all authorized notes or other evidences of indebtedness, issued in the name of the Association, shall be signed by the President, Treasurer and Executive Vice President, or any two of them. No checks shall be signed and countersigned in blank, either as to payee or as to amount.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Association shall be President, President Elect, Treasurer and Secretary. In addition, there shall be an Executive Vice President, to be appointed by the Board of Directors, as hereinafter provided. The President, President-Elect and Secretary shall be elected for terms of one year and shall not be re-elected for more than two (2) consecutive terms. The Treasurer shall serve for a term of two (2) consecutive years and shall not serve more than three consecutive terms (a total of 6 years).

Section 2. Duties of Officers.

(a) President shall be the chief executive officer of the Association. It shall be the duty of the President to assume general supervision of the affairs of the Association, to preside at all meetings of the Board of Directors and of the membership, to appoint all committees, the appointment of which is not otherwise provided for, and to see that the provisions of the Bylaws, and any Rules and Regulations of the Association, are followed and enforced. The President may sign and execute, in the name of the Association, all authorized deeds, mortgages, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated by the Board of Directors to some other officer or agent, and the President shall, in general, perform all duties and have all powers ordinarily incident to the office of a president of a corporation. The President shall have such other duties and powers as shall, from time to time, be assigned to him by the Board of Directors.

(b) President Elect shall perform the duties of the President in the absence or inability of the President to act, and shall perform such other duties as may be assigned from time to time by the President or by the Board of Directors. The President Elect upon completion of his or her term as President Elect, shall, in the absence of unforeseen events, succeed to the office of the President for the ensuing year.

(c) Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Association, and shall receive and deposit, or cause to be received and deposited, in the name of the Carroll County REALTORS®, all monies or other valuable effects of the Association, in such banks, trust companies or other financial institutions as shall, from time to time, be selected by the Board of Directors. The elective office of the Treasurer shall not be deemed to be in a position in the Association's leadership ladder. They shall act as chairperson of the Finance Committee. The Treasurer shall render to the President and to the Board of Directors periodically, and whenever requested, an account of the financial condition of the Association, and shall, in general, perform all duties ordinarily incident to the office of a Treasurer of a corporation and such other duties as may be assigned, from time to time, by the President or the Board of Directors. The Treasurer, with the approval of the Board of Directors or of the Executive Committee, may delegate any part of the duties and powers of Treasurer to the Executive Vice President, provided however, that the Treasurer shall continue to be responsible for the supervision and proper performance thereof.

(d) Secretary shall be responsible to see that complete and proper minutes of all meetings of the membership, the Board of Directors, the Executive Committee and all other committees are kept and that copies of all minutes of the Board of Directors and of the Executive Committee are sent to the members thereof and are presented to the Board of Directors and Executive Committee, respectively, at their next meeting. The Secretary shall see that all notices are duly given, in accordance with the provisions of these Bylaws, unless otherwise provided, and shall keep and file all documents committed to the custody of the Secretary. The Secretary shall be the custodian of the records and of the corporate seal of the Association and shall see that the corporate seal is affixed to all documents, the execution of which on behalf of the Association, under its seal, has been fully authorized, and, when so fixed, may attest the same. In general, the Secretary shall perform all duties ordinarily incident to the office of a secretary of a corporation and such other duties as shall, from time to time, be assigned by the President, the Executive Committee or by the Board of Directors. The Secretary, with the approval of the Executive Committee or the Board of Directors, may delegate any part of the duties of Secretary to the Executive Vice President, provided that the Secretary shall continue to be responsible for the supervision and proper performance thereof.

(e) Executive Vice President shall have and perform such duties as may be assigned, from time to time, by the President, the Executive Committee or the Board of Directors. The Executive Vice President shall not be a member of the Association and shall not engage, either directly or indirectly, in the real estate business while serving as Executive Vice President of the Association.

Section 3. Board of Directors.

(a) The governing body of the Association shall be a Board of Directors consisting of the President, President Elect, Treasurer, Secretary, Immediate Past President and not more than fifteen (15) other members, up to three (3) of which may be Affiliate members, (the exact number of which shall be as fixed from time to time by the Board of Directors), the State Directors elected by the Association in accordance with the Bylaws of the Maryland Association of REALTORS®, Inc., as from time to time amended, the chairpersons or presiding officers of such Divisions of the Association as may be organized under the provisions of Article XIII of these Bylaws, and, if elected by the Board of Directors in accordance with the provisions of Section 5 of Article XIII of these Bylaws, the chairpersons or presiding officers of former Divisions of this Association which have been reorganized as separate and independent organizations.

In addition, any member of this Association serving on the Board of Directors or in any office of the NATIONAL ASSOCIATION OF REALTORS® and any member serving as chairperson or presiding officer of the local chapter of any NATIONAL ASSOCIATION OF REALTORS® affiliate, council, or society, may be elected to membership, ex officio, non-voting member on the Board of Directors of this Association by a majority vote of the Board of Directors, for a term to run during, and concurrently with, his or her term of office.

(b) The Board of Directors shall meet regularly, at the call of the President, and at such times as may be decided upon by the majority of the Board of Directors. The Board of Directors shall have full charge of the general conduct of the affairs of the Association and shall have the power to enact such rules and regulations, not inconsistent with these Bylaws, as may be deemed appropriate or necessary for the proper government of the Association and its members. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, pursuant to the provisions of Sections 2-408 and 2-409 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended from time to time. To the fullest extent permitted by law, the Board of Directors may conduct business by electronic means, including e-mail, provided that each Director shall cast his or her vote on the subject matter of the e-mail either in writing or by electronic means, including e-mail, within the time frame for such vote, as set forth in the e-mail.

(c) Unless otherwise provided in these Bylaws, the Board of Directors shall have the power to fix, from time to time, within the limits, if any, prescribed by these Bylaws, the amount of application fees and annual dues for all classes of membership.

(d) The Board of Directors, at its first meeting in each year immediately following the commencement of the elective year in accordance with the dates called for in these Bylaws, shall appoint an Executive Vice President to serve for a term of one year, or at the pleasure of the Board of Directors, and shall fix compensation and prescribe the duties, to the extent that the same are not otherwise prescribed by these Bylaws.

(e) The Board of Directors shall have such other powers and duties, not inconsistent with these Bylaws, as shall be necessary or appropriate for the proper government of the Association and its members.

Section 4. Election of Officers and Directors.

(a) Nominations for officers, directors, and State Directors (as provided in the Bylaws of the Maryland Association of REALTORS®, Inc., as from time to time amended), except as otherwise herein provided, shall be made by a Nominating Committee, which shall be composed of five (5) REALTOR® Members appointed by the President with the approval of the Board of Directors and who are members in good standing at the time the nominations are made. It shall be the duty of the Nominating Committee to nominate a President, President Elect, Treasurer, and Secretary, and such number of persons for membership on the Board of Directors as there shall be vacancies to be filled. In the absence of unforeseen events, the Nominating Committee shall nominate the President Elect to succeed to the office of the President for the ensuing year.

(b) The report of the Nominating Committee shall be posted in the principal office of the Association at least thirty (30) days before the date of the Annual Meeting.

(c) Additional candidates for all or any of the offices or directorships to be filled may be placed in nomination by a petition signed by not less than ten percent (10%) of the voting members in good standing, provided that such petition shall be filed with the Executive Vice President, who shall post the same in the principal office of the Association, not less than ten (10) days before the date of the Annual Meeting.

(d) The report of the Nominating Committee shall be transmitted to each member in good standing and entitled to vote at least twenty (20) days preceding the date of the Annual Meeting. If any additional nominations shall be made, as provided in paragraph (c) of this Section, the Executive Vice President shall send a notice of such additional nominations to all members in good standing and entitled to vote at least five (5) days before the date of the Annual Meeting. The notice may be sent by first-class mail, by electronic communication, including e-mail, or by any other means permitted by law as approved by the Board of Directors, from time to time, for sending such notices.

(e) The election of officers and directors shall be held at the Annual Meeting, and the candidates receiving the highest number of votes for the offices and directorships to be filled shall be declared duly elected.

(f) The President, with the approval of the Board of Directors, shall appoint an election committee of five (5) REALTOR® Members in good standing to conduct the election. In case of a tie vote, the issue shall be determined by lot.

Section 5. Terms of Office. The President, President Elect, Treasurer, Secretary shall be elected for a term of one year commencing October 1 until their successors are duly elected and actually installed. The Treasurer shall be elected for a term of two (2) consecutive years. Directors shall be elected for a period of three (3) years, unless otherwise provided in these Bylaws. The State Director(s) shall be elected for a term as provided for in the Bylaws of the Maryland Association of REALTORS®, Inc., as from time to time amended.

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

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) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.

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

(c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of the Members present and voting shall be required for removal from office.

(d) Notwithstanding the provisions of subsections (a) (b) and (c), above, of this Section 7, any elected officer or director may be removed from office pursuant to the provisions of Section 14 of Article VI of these Bylaws.

ARTICLE XII - MEETINGS

Section 1. Annual Meetings. The Annual Meeting of the Association shall be held during the month of June each year, the place and hour to be designated by the Board of Directors.

Section 2. Regular and Special Meetings of Directors. The Board of Directors at its first meeting shall designate a regular day, time and place of meeting. Under special or exigent circumstances, and subject to the Notice requirement of Section 4. of this Article XII, special meetings of the Board of Directors shall be held on such date, time and place as shall be designated by the President, or in the absence or disability of the President, by the President-Elect. Absence of a Director from three regular, but not special, meetings of the Board of Directors without an excuse deemed valid by the Board of Directors shall be construed as the resignation of the Director.

Section 3. Other Meetings. Meetings of the Members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least ten (10%) percent of the REALTOR® Members.

Section 4. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least five days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting. The notice may be sent by first-class mail, by electronic communication, including e-mail, or by any other means permitted by law as approved by the Board of Directors, from time to time, for sending such notices.

Section 5. Quorum. A quorum for the transaction of business shall consist of five (5%) percent REALTOR® Members. A majority of the members of the Board of Directors or any committee, including the Executive Committee; shall constitute a quorum for the transaction of business.

Section 6. Proxy Voting. Voting by Proxy shall not be permitted.

ARTICLE XIII - DIVISIONAL ORGANIZATION

Section 1. Divisions. Any group of Members similarly engaged in any particular endeavor related to the real estate profession may, with the approval of the Board of Directors, organize and function as a separate Division of the Association. Each such Division shall provide for the election from among its membership of a chairperson or other presiding officer for such Division and a governing body, which shall have all the powers usually possessed by a Board of Directors in dealing with the business and affairs of such Division. Such other officers may be elected as shall be deemed appropriate.

Section 2. Rules; Dissolution by Board of Directors. Each such Division may adopt rules and regulations for its own conduct, but in all activities of every character, the objects, Bylaws, Rules and Regulations and established policies of this Association must be respected in both spirit and letter, and the Board of Directors of this Association, in its absolute discretion, shall have full power to dissolve any such Division, at any time if in its judgment, this obligation is not properly met.

Section 3. Chairperson, etc.; Ex Officio Member of Board of Directors. The Chairperson or other presiding officer of each Division organized pursuant to the provisions of this Article shall be, ex officio, a voting member of the Board of Directors of this Association during and concurrently with, their term of office as Chairperson or other presiding officer of such Division.

Section 4. Failure to Appoint Chairperson, etc. In the event that any Division of the Association, organized under the provisions of this Article, shall at any time fail to elect or appoint a Chairperson or other presiding officer, the President of this Association shall appoint a committee of not

more than six (6) members from the membership of such Division, which committee shall be the governing body for said Division for a period of one year. Such committee, promptly after its appointment as aforesaid, shall elect from its own number a Member to serve for a term of one year as its Chairperson and as presiding officer for such Division, entitled to membership, ex officio, a voting member, on the Board of Directors of this Association.

Section 5. Independent Reorganization; President as Ex Officio Member of Board of Directors. In the event that any Division organized under the provision of this article should subsequently reorganize as a separate and independent organization (incorporated or otherwise), the duly elected president thereof may be elected to membership, ex officio, a voting member, on the Board of Directors of this Association by a majority vote of the Board of Directors for a term to run during, and concurrently with, their term as president of such independent organization.

ARTICLE XIV - COMMITTEES

Section 1. Standing Committees. Unless otherwise provided by these Bylaws, following election in June and prior to installation, the incoming President shall appoint the following standing committees; or, as to those committees which are of a continuing nature, shall fill the vacancies thereon:

| | | |
|-----------------------|----------------------------------|------------------------|
| Awards | Finance | Professional Standards |
| Bylaws | Governmental & Political Affairs | Public Relations |
| Community Outreach | Grievance | RPAC |
| Education/Orientation | Membership Benefits & Engagement | Technology |
| Equal Opportunity | Nominating | YPN |

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

Section 2. Executive Committee.

(a) The Executive Committee shall consist of the President, President Elect, Treasurer, Secretary, and the immediate Past President. It shall be the duty of the Executive Committee to supervise the Finance Committee's preparation and recommendation of a budget, for adoption by the Board of Directors, and thereafter to supervise such budget, as provided in Article X, Section 8; and the Executive Committee shall have charge of the offices of the Association and shall make such rules for the conduct of such offices as shall be deemed appropriate or necessary.

(b) The Executive Committee shall have such other powers and duties as shall be prescribed by these Bylaws or, from time to time, by the Board of Directors.

Section 3. Special Committees. The President shall appoint special committees as may from time to time be deemed necessary or appropriate, to carry out the objectives of the Board of Directors. Special committees may be dissolved at any time by a two-thirds vote of the Board of Directors.

Section 4. Organization of Standing and Special Committees. The President, when appointing each standing or special committee, or filling the vacancies there on, shall designate the person who shall serve as Chairperson and, if deemed appropriate by the President, the person or persons who shall serve as Vice-Chairperson(s). All committees shall be of such size and shall have duties, functions and powers as may be assigned to them by the President or by the Board of Directors, except as otherwise provided in these Bylaws.

Section 5. President Member Ex Officio of Committees; Exceptions. The President of the Association shall be a member, ex officio, of all standing and special committees, except the Committee on Professional Standards and the Grievance Committee, and shall be notified of their meetings.

Section 6. Removal of Committee Members. Any member or members of any standing or special committee of this Association may be removed from such committee, with or without cause, and at any time, by a two-thirds vote of the Board of Directors; provided further, that the seat of any member of any standing or special committee shall be automatically vacated if such member shall fail to attend three (3) meetings of such committee without excuse satisfactory to the committee.

Section 7. Committee Vacancies. In the event of a vacancy occurring, for any reason, in the membership of any standing or special committee, such vacancy shall be filled promptly by the President.

ARTICLE XV - FISCAL AND ELECTIVE YEAR

Section 1. The Fiscal and elective year of the Association shall be October 1 to September 30 of each and every year commencing with October 1, 1985, provided, however, that ceremonial installation of directors and officers may be held on such reasonable dates as established by the Board of Directors; provided further, that actual installation and commencement of term of office shall, in all events and for purposes of official action and control, be deemed to have occurred on the first day of October after election.

ARTICLE XVI - RULES OF ORDER

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

ARTICLE XVII - AMENDMENTS

Section 1. These Bylaws may be amended by majority vote of the REALTOR® 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. Article IX may be amended only by a majority vote of all REALTOR® Members.

Section 2. Notice of all meetings at which amendments are to be considered shall be transmitted to every REALTOR® Member at least one week prior to the meeting. The notice may be sent by first-class mail, by electronic communication, including e-mail, or by any other means permitted by law as approved by the Board of Directors, from time to time, for sending such notices.

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 XVIII – MULTIPLE LISTING

Section 1. Authority. The Association, in the absolute and sole discretion of the Board of Directors of the Association, from time to time, may subscribe to one or more multiple listing services existing or formed as a lawful corporation of the State of Maryland or any other State, all or part of the authorized stock of which shall be owned by the Association or other Boards and Associations of REALTORS® located in Maryland or in other States, including the District of Columbia. The Association is a shareholder of the Metropolitan Regional Information Systems, Inc.

Section 2. Purpose. A multiple listing service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting either as subagents, buyer agents or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

Section 3. Governing Documents. The Board of Directors shall cause any multiple listing service subscribed to in accordance with this Article XVIII to conform its corporate charter, constitution, bylaws, rules and regulations and policies, practices and procedures at all times to the Constitution, bylaws, rules, regulations and policies of the National Association of REALTORS®.

Section 4. Participation. Any REALTOR® member of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law.

Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm 'offers or accepts cooperation and compensation' means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. A MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer or accept compensation and compensation" only if the MLS has a reasonable basis to believe that the Participant or potential Participant if in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants. (Adopted 11/08)

ARTICLE XVIX - DISSOLUTION

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