

MORGAN COUNTY ASSOCIATION OF REALTORS®, INC.

TABLE OF CONTENTS

Article I – Name.....1

Article II – Objectives.....1

Article III – Jurisdiction.....2

Article IV – Membership.....2

Article V – Qualification and Election.....4

Article VI – Privileges and Obligations.....10

Article VII – Professional Standards and Arbitration.....13

Article VIII – Use of the Terms REALTOR and REALTORS.....14

Article IX – State and National Membership.....15

Article X – Dues and Assessments.....16

Article XI – Officers and Directors.....20

Article XII – Meetings.....23

Article XIII – Committees.....24

Article XIV – Fiscal and Elective Year.....24

Article XV – Rules of Order.....25

Article XVI – Amendments.....25

Article XVII – Dissolution.....25

Article XVIII – Multiple Listing Service.....25

Article XIX – Keysafe System.....28

BYLAWS

ADOPTED FEBRUARY 1987  
LAST AMENDED NOVEMBER 2007

## **ARTICLE I – NAME**

**Section 1. Name.** The name of this organization shall be the Morgan County Association of REALTORS®, Incorporated, hereinafter referred to as the “Association”.

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

## **ARTICLE II – OBJECTIVES**

The objectives of the Association are:

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

**Section 2.** To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the National Association of REALTORS®.

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

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

**Section 5.** To unite those engaged in the real estate profession in this community with the Alabama Association of REALTORS®, Inc. and the National Association of REALTORS®, Inc. 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, those 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 the entire geographical area of Morgan County, Lawrence County, Alabama, and the entire city limits of Decatur, Alabama.

Section 2. Territorial jurisdiction is defined to mean:

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

### ARTICLE IV – MEMBERSHIP

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

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

- (1) Individuals who, as sole proprietors, partners, or corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Alabama, or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Board/Association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1B.of Article IV.
- (2) In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm’s principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1b. of Article IV.

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

- (3) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or branch office managers, and are associated with REALTOR® Member and meet the qualifications set out in Article V.
- (4) 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 related to 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; and the right to hold elective office in the Local Association, State Association and National Association.
- (5) Primary and secondary REALTOR® Members. An individual is a primary member if the Association pays State and National dues based on such Member. An individual is a secondary Member if State and National dues are remitted through another Board/Association. One of the principals in a real estate firm must be the Designated Realtor® Member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.
- (a) **Designated Realtor Members.** Each firm or office in the case of firms with multiple office locations shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The Designated Realtor® must be a sole proprietor, partner, corporate officer or branch 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 by an Institute, Society, or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

- (c) **Affiliate Members.** Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs a or b of this Section, have interests requiring information concerning real estate and are in sympathy with the objectives of the Association.
- (d) **Public Service Members.** Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, real estate profession on their own account or in association with an established real estate business.
- (e) **Honorary Members.** Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.
- (f) **Student Members.** Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at 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 agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, The Constitutions, Bylaws and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitution and Bylaws 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.

- (2) That applicant consents that the Association, through its Membership 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 individual 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 form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.
- (3) 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 in 30 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 2. Qualification.**

- (a) An applicant for REALTOR® membership who is a sole proprietor, partner or corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real 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/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

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

(b-1) Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTOR® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed.

Members suspended for failing to meet the requirement for the first four (4) -year cycles (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4) – year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4) – year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

(c) The Board/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

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

**Section 3 Elections.** The procedure of election to membership shall be as follows:

- (a) The Membership Committee shall determine whether the applicant is applying for the appropriate class of membership. It shall then give written notice to the REALTOR® Members of such application and invite written comment. If one or more of the REALTOR® Members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Committee shall invite any objecting Member to appear and substantiate his/her objections. Objections which are not substantiated without (1) informing the applicant in advance in writing, of the objections and identifying objecting Member, and (2) giving the applicant a full opportunity to appear before the Committee and establish his/her qualifications. The Committee shall thereafter make a written report of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Association.
- (b) Thereafter, within 30 days, the Membership Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is adverse to the approval of the application, the reasons shall be specifically stated. If any member of the Membership Committee submits dissenting recommendation, it shall also be reported to the Board of Directors.

- (c) The Board of Directors shall review the qualifications of the applicant and the recommendation of the Committee and 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 or e-mail.
- (d) The Board of Directors may not reject an application without providing the applicant with advanced notice of the findings and recommendations of the Membership Committee, 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.
- (e) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Secretary. If the Board of Directors believes that denial of membership to the applicant may 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. Status Changes in Membership.**

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

license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 30 days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

- (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 specified in this Article.

Section 2. Any Member of the Association may be reprimanded, assessed a fee, 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 principals 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 Committee, be subject to discipline as described above, for any conduct, which in 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 for other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the Association provided that 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 that if any Member submitting the resignation is indebted to the Association for dues, fees, assessed fees or other assessments of the Association or any of its service departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for Membership upon payment in full of all such monies owed.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

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

Section 6. REALTOR Members.

- (a) REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association.
- (b) REALTOR® Members may use the term REALTOR® and REALTORS®, which shall be subject to the provisions of Article VIII.
- (c) REALTOR® Members have the primary responsibility to safeguard and promote the standards, interest, and welfare of the Association and the real estate profession.
- (d) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with 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 the REALTOR® who is

- (e) 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. 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 until the former Member is admitted to membership in the Association. The forgoing 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.
- (f) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6d 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 6d shall apply.

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

**NOTE:** Local associations established the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR, REALTOR-ASSOCIATE, or the REALTOR logo; to serve as President of the local association; or to be a participant in the local association's Multiple Listing Service.

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

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

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

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

**Section 12. Certification by REALTOR®.** The Designated REALTORS® Members of the Association shall certify to the Association during the month of January, on a form provided by the Association, a complete listing of all individuals licensed with the REALTOR'S office(s) and shall designate a primary Board/Association for each individual who holds membership. The Designated REALTOR® shall also identify any non-member licenses in the REALTOR'S office(s) and if the Designated REALTOR® has paid dues to another Board/Association for said non-member licenses, the Designated REALTOR® shall identify the Board/Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. The Designated REALTOR® shall also notify the Association of any affiliation or severance of the individual.

## **ARTICLE VII – PROFESSIONAL STANDARDS AND ARBITRATION**

**SECTION 1.** The responsibility of the Association and of Association Members relating to the Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.

**Section 2.** The Association and Association members are also responsible for the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

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

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

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

- (a) In the case of a REALTOR® Member who is a principal of a real estate firm, partnership or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds a 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 ALABAMA ASSOCIATION OF REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the ALABAMA ASSOCIATION OF REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

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

Section 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Alabama Association of REALTORS®.

## ARTICLE X – DUES AND ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in a reasonable amount, not exceeding three times the amount of the annual dues for 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.

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

- (a) **REALTOR® Members.** The annual dues of each Designated Realtor® Member shall be 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 Board/Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by the Designated Realtor® Member, non-member licensees as defined in 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 Board/Association in the state or a state contiguous thereto, provided the Designated Realtor® notifies the Association in writing of the identity of the Board/Association to which dues have been remitted.

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

- (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 a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of

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

- (2) 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®.
- (3) 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.
  - (a) The annual dues of each REALTOR® Member other than the Designated Realtor® shall be as established by the Board of Directors.
  - (b) **Institute Affiliate Members.** The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the National Association of REALTORS.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

(c) **Affiliate Members.** The annual dues of each Affiliate Member shall be as established by the Board of Directors.

(d) **Public Service Members.** The annual dues of each Public Service Member shall be as established by the Board of Directors.

(e) **Honorary Members.** Dues payable, if any, shall be at the discretion of the Board of Directors.

(f) **Student Members.** Dues payable, if any shall be at the discretion of the Board of Directors.

**CAVEAT:** Dues for Secondary Members may be the same as or less than the dues for REALTOR® Members but shall not include any allocated portions for the State or National Associations.

**Section 3. Dues Payable.** Dues for all Members shall be payable annually in advance on the first day of January.

(a) 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.

(b) 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, 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 termination.

**Section 4. Nonpayment of Financial Obligations.** If dues, late fees, or other assessments including amounts owed to the Association or the Association’s Multiple Listing Service are not paid when due, a 10% late fee will be assessed and if 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. Two (2) months after the due date, membership of the nonpaying 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/her membership terminated for nonpayment of dues, fees, late fees, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in manner prescribed for new applicant for membership, after making payment in full of all accounts due as of the date of termination.

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

**Section 6. Expenditures.** The Board of Directors shall administer the day to day finances of the Association. Capital expenditures in excess of \$5000.00 may not be made unless authorized by 51% of a quorum of the Association Members eligible to vote.

**Section 7. Notice of Dues, Fees, Late Fees, Assessments, and other Financial Obligations of Members.** Notice shall be sent of all dues, fees, late fees, assessment, or other financial obligations to the Association or Association Multiple Listing Service to the delinquent Association Member in writing setting forth the amount owed and due date.

**Section 8.** The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past President of the National Association or recipients of the Distinguished Service Award shall have all dues waived.

## **ARTICLE XI – OFFICERS AND DIRECTORS**

**Section 1. Officers.** The elected officers of the Association shall be: a President, President Elect, Secretary and Treasurer. The Secretary and Treasurer shall be two separate elections. They shall be elected for terms of one year. No person shall be eligible for elective officer position of this Association until he/she has served at least one year as an elected Director. The Association Executive chosen and paid by the Association shall be a member of the Board of Directors and Executive Committee without vote.

**Section 2. Duties of Officers.** The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Secretary to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the ALABAMA 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 and nine (9) REALTOR® Members of the Association, the immediate past President and other Ex-officio members as provided for in this section. No elected director may succeed themselves on the Board of Directors. The Board of Directors shall have the responsibility to establish policy and procedures in order to assure compliance with the Bylaws of the Association, and shall be charged with the full responsibility and authority to carry out all business and professional activities of the Association. Directors shall be elected to serve for terms of one, two and three years, respectively. Thereafter, as many Directors shall be elected each year as are required to fill vacancies. Members of the local Association who hold elective office in the Alabama Association of REALTORS®, of the NATIONAL ASSOCIATION OF REALTORS® shall serve as ex-officio Directors for the years in which they hold such office.

### **Section 4. Election of Officers and Directors.**

- (a) At least two months before the annual election, a Nominating Committee of five Active REALTOR® Members, the majority of whom must be Past Presidents, shall be appointed by the President with the approval of the Board of Directors.
  
- (c) The Nominating Committee shall select two or more candidates for the offices of President Elect and Secretary/Treasurer, and shall select a number of candidates at least two greater than the number of Director vacancies to be filled. All Officers and Directors shall be elected at large.

The longest Director terms shall be filled by the nominees receiving the greatest number of votes successively until all Director vacancies are filled. Officers are elected by the nominees receiving the greatest number of votes.

(d) The report of the Nominating Committee shall be posted on the MLS Log in page and posted on the bulletin board at the Association Office at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least ten (10) REALTOR® Members. The petition shall be filed with the Secretary of the Morgan County Association of REALTORS at least two (2) weeks before the election. The

Secretary shall publish any such petition on the MLS Log-in page and posted on the bulletin board at the Association Office at least one (1) week preceding the election.

(d) The Board of Directors shall have power by unanimous vote to increase the number of Directors by the creation of such new ex-officio Directors as may seem advisable for the best interest of the Association of REALTORS®.

(e) Membership on the Board of Directors shall be limited to not more than three (3) representatives from any one agency, excluding current Officers and the Immediate Past President.

(f) The election of Officers and Directors shall take place at the annual meeting. Elections shall be by ballot and all votes shall be cast in person. The ballot shall contain the names of all candidates and the offices for which they are nominated.

(g) The President, with the approval of the Board of REALTOR® Members conduct the election. In case of a tie vote, the issue shall be determined by lot

**Section 5. Vacancies.** Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election. In the event a vacancy occurs in the position of President Elect, the President, with the approval of the Board of Directors, shall appoint a Member to fill a vacancy only until the next election, at which time, the Nominating Committee will nominate two or more Members for the Office of President in addition those candidates identified in Section 4b of this Article.

**Section 6. Removal of Officers and Directors.** In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from 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 against the Officer or Director, and to render a decision on such petition.
- (c) All voting Members be notified of the special meeting at least ten (10) days prior to the meeting, and the meeting shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

## **ARTICLE XII – MEETINGS**

**Section 1. Annual Meeting.** The annual meeting of the Association shall be held during September of each year. The date, place, and hour shall be designated by the Board of Directors.

**Section 2. Meetings of Directors.** The Board of Directors shall designate a regular time and place of meetings. Absence from three regular meetings within a calendar year without an excuse deemed valid by the Board of Directors shall be construed as resignation.

**Section 3. Other Meetings.** Meetings of the members may be held at other times as the President of the Board of Directors may determine, or upon the written request of at least 25% of the Members eligible to vote.

**Section 4. Notice of Meetings.** Written notice should be given to every member entitled to participate in the meeting at least one week preceding all meetings. If a special meeting is called it shall be accompanied by a statement of the purpose of the meeting. The Secretary shall publish notice of any special meeting on the MLS Log-in and posted on the bulletin board at the Association Office at least two weeks prior to the meeting.

### **Section 5. Quorum.**

(a) **Board of Directors Meetings.** A quorum for the transaction of business at any Board of Directors Meeting shall consist of 51% of the membership of the Board of Directors.

(b) **Membership Meetings.** A quorum for the transaction of business at any Membership Meeting shall consist of 10% of the Members eligible to vote.

(c) **Task Force/Committee Meetings.** A quorum for the transaction of business shall consist of 51% of the task force/committee. Business conducted without a quorum will be presented as a report versus a motion. Reports will require a motion from the Directors.

## **ARTICLE XIII – COMMITTEES**

**Section 1. Standing Committees.** The President shall appoint, subject to confirmation by the Board of Directors, the following standing committees:

1. BYLAWS
2. PROFESSIONAL STANDARDS
3. GRIEVANCE
4. MULTIPLE LISTING SERVICE
5. ADMINISTRATIVE
6. MEMBER SERVICE
7. GOVERNMENTAL AFFAIRS
8. PUBLIC RELATIONS

**Section 2. Task Force.** The President shall appoint, subject to confirmation by the Board of Directors, task forces as deemed necessary.

**Section 3. Organization.** All committees and task forces shall be of such size and shall have duties, functions, and powers as assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

**Section 4. Task Forces/Committee Chairperson.** The President shall appoint, subject to confirmation by the Board of Directors, the Chairperson of each task force/committee.

**Section 5. President.** The President shall be an ex-officio member of all standing committees/task forces and shall be notified of their meetings.

**Section 6. Committee Absence.** Those members absent without an excuse deemed valid by the balance of the committee for two consecutive committee meetings shall be construed to have resigned.

**Section 7. Appointments.** Appointment to the Professional Standards Committee and Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Association.

## **ARTICLE XIV – FISCAL AND ELECTIVE YEAR**

**Section 1.** The fiscal and elective year of the Association shall be January 1<sup>st</sup> to December 31<sup>st</sup>.

## **ARTICLE XV – RULES OF ORDER**

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

## **ARTICLE XVI – AMENDMENTS**

Section 1. These Bylaws may be amended by majority vote of the Active Members present and qualified to vote at any meeting at which a quorum is present, provided the substances of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 2. Notice in writing of all meetings at which such amendments are to be considered shall be published on the MLS Log-in page and posted on the bulletin board at the Association Office at least two weeks prior to the meeting.

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

## **ARTICLE XVII – DISSOLUTION**

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

## **ARTICLE XVIII – MULTIPLE LISTING SERVICE**

Section 1. Authority. The Association of REALTORS shall maintain for the use of its Members a Multiple Listing Service which shall be subject to the Bylaws of the Association of REALTORS® and such Rules and Regulations as may be hereinafter adopted.

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

**Section 3. Participation.**

- (a) Any REALTOR® Member of this or any other Board/Association who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing Service upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto.
- (b) A non-member applicant for MLS Participation who is a principal, partner, corporate officer or branch manager acting on behalf of a principal, shall supply evidence satisfactory to the Membership Committee that he/she has no record of recent or pending bankruptcy; has no record of official sanctions involving unprofessional conduct; agrees to complete a course of instruction (if any) covering the MLS Rules and Regulations, and shall pass such reasonable and nondiscriminatory written examination thereon may be required by the MLS, and shall agree in writing that if elect as a Participant, he/she will abide by such rules and regulations and pay MLS fees and dues, including any non-member fee differential (if any), as from time to time established.
- (c) 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

are capable of offering and accepting 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 the 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 access to information developed or published by the Association Multiple Listing Service where access to such information is prohibited by law.

**Section 4. Supervision.** The activity shall be operated under the supervision of the Multiple Listing Service Committee in accordance with the Rules and Regulations, as approved by the Board of Directors.

**Section 5. Appointment of Committee.** The President of the Association of REALTORS® shall appoint, subject to confirmation by the Board of Directors, a Multiple Listing Service Committee of at least five (5) members, the majority of whom must be Designated Realtors®. All Members of the Committee shall be Participants in Multiple Listing, or shall be members of the Association who are affiliated with the Participants and have consent of such participants to serve on the Committee, if appointed. The Committee Members so named shall serve three (3) year terms.

**Section 6. Vacancies.** Vacancies in un-expired terms shall be filled as in the case of original appointees.

**Section 7. Attendance.** Any Committee Member who fails to attend three (3) consecutive regular or special meetings of the Committee, without excuse acceptable to the Chairperson of the Committee, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointees.

**Section 8. Access to Comparable and Statistical Information.** Association Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports.

This information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are engaged in the real estate business and not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations. Association Members who receive such information, either as an Association service or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

**Section 9. Subscribers.** Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

## **ARTICLE XIX – KEYSAFE SYSTEM**

**Section 1. Authority.** The Association of REALTORS® shall sponsor for the use of its Members a Keysafe System which shall be subject to the Bylaws of the Association of REALTORS® and such Rules and Regulations as may be hereinafter adopted.

**Section 2. Purpose.** A Keysafe System is a means by which authorized REALTOR® Members or Affiliate Members may purchase Keysafe's from the Supra Corporation through the Association for the purpose of placing the Keysafe on a listed property, and REALTOR® Members or Affiliate Members.

**Section 3. Participation.** Any REALTOR® Member or Affiliate Member who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, shall be eligible to participate in the Keysafe System upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto.

- (a) Under no circumstances is any individual or firm, regardless of membership status, be eligible to participate in the Keysafe System unless they hold a current, valid real estate license or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.