

**CONSTITUTION & BY-LAWS
OF THE
MOBILE AREA ASSOCIATION OF REALTORS, INC.**

(Effective November 3, 2010)

Article I - Name

Section 1. Name. The name of this organization shall be the Mobile Area Association of REALTORS, Inc., hereinafter referred to as the “Association”.

Section 2. REALTORS. Inclusion and retention of the Registered Collective Membership Mark REALTORS in the name of the Association shall be governed by the Constitution and By-Laws 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 in Mobile County for the purpose of exerting a beneficial influence upon the profession and related interests.

Section 2. 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 3. To promote and maintain the high standards of conduct in the real estate profession as expressed in the Code of Ethics of the National Association of REALTORS.

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

Section 5. To unite those engaged in the real estate profession in Mobile County with the Alabama Association of REALTORS and the National Association of REALTORS thereby furthering their own objectives throughout membership therein.

Section 6. To designate, for the benefit of the public, those individuals authorized to use the term REALTOR and REALTORS as licensed, prescribed and controlled by the National Association of REALTORS.

Article III - Jurisdiction

Section 1. The territorial jurisdiction of the Association, as a Member Association of the National Association of REALTORS, shall be Mobile County, Alabama.

Section 2. Territorial jurisdictions defined to mean:

(a) The rights and duty to control the use of the terms REALTOR and REALTORS, subject to the conditions set forth in these By-Laws 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. The Members of the Association shall consist of individuals only. There shall be seven classes of Members as follows:

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

(1) individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, 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 an Association of REALTORS within the state or 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 board in which one of the firm's principals holds REALTOR[®] membership, shall be required to hold REALTOR[®] membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, and are associated with a REALTOR Member and meet the qualifications set out in Article V.

(3) 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. 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.

(4) **Designated REALTOR Member.** Each firm shall designate in writing one REALTOR Member who shall be responsible for all pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the By-Laws. 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 By-Laws.

(5) 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 singular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and By-Laws. Such shall enjoy all of the rights, privileges and obligations of REALTOR Membership (including compliance with the Code of Ethics) EXCEPT: obligations related to Board mandated education, meeting attendance, or indoctrination classes or 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, State Association and National Association.

(6) The President of the Alabama Association of REALTORS shall be a member in good standing of the Association during the year he/she is president without the payment of dues or fees.

(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.** 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) and (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 real estate industry.

(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 Education

Section 1. Application. Application for membership shall be made in such a manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it.

Section 2. Qualification.

(a) An applicant for REALTOR Membership who is a principal, partner, corporate officer or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership 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 official sanctions involving unprofessional conduct, has no record of recent or pending bankruptcy, agrees to complete a course of instruction covering the By-Laws and Rules and Regulations of the Association, the By-Laws and Code of Ethics of the National Association of REALTORS, shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Association, and shall agree that if elected to membership, he will abide by the Constitution, By-Laws, Rules & Regulations, and Code of Ethics.

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

(b) Individuals who are actively engaged in the real estate profession other than as principals, partners, corporate officers or branch office manager in order to qualify for REALTOR membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR Member of the Association or a Designated REALTOR Member of another Association (if 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 or real property, shall agree in writing to complete a course of instruction covering the By-Laws and Rules and Regulations of the Association, the By-Laws of the State Association, and the Constitution and By-Laws 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 Association, and shall agree in writing that if elected to membership, he will abide by the Code of Ethics of the National Association of REALTORS, and by the Constitution, By-Laws, Rules and Regulations of the local Association, the State Association, and the National Association.

Section 3. Election. The procedure for 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 REALTOR Members object to the

approval of the application, basing such objections on lack of qualifications as set forth in these By-Laws, the Committee shall invite any objecting Member to appear and substantiate his objections. Objections which are not substantiated shall be totally disregarded. The Committee may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting Member, and (2) giving the applicant a full opportunity to appear before the Committee and establish his qualifications. The Committee shall thereafter make a written report of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principals of due process and compliance with By-Laws of the Association.

(b) Thereafter, within two months, 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 a 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 recommendations of the Committee and then vote on the applicant's eligibility for membership. If applicant receives a majority vote of the Board of Directors, he shall be declared elected to membership and shall be advised by notice.

(d) The Board of Directors may not reject an application without providing the applicant with advanced written notice of the findings and recommendations of the Membership Committee, an opportunity to appear before the Board of Directors, to call witnesses in his behalf, to be represented by counsel, and to make such statements as he deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(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 the 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 applicant.

Note: REALTOR members may obtain membership in a "secondary" Association in another state.

Article V 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 or 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 360 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®.

Article V Section 5 – Continuing Member Code of Ethics Training: Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the new Member Code of Ethics Orientation during any four year cycle shall be 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 cycle (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 month (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.

Section 6 – Status Changes (a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the association within _30_days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). Upon proper application and satisfaction of membership requirements applicable to REALTOR® (principal) members, the REALTOR® (non-principal) may be designated a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within _30_days of the date they advised the association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the board of directors.

A REALTOR® who is transferring his/her 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.

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

Article VI - Privileges and Obligations

Section 1. The privileges and obligations of Members, in addition to those otherwise provided in these By-Laws, 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 By-Laws and Association Rules and Regulations not inconsistent with these By-Laws, 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, 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 option 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 Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the National Association of REALTORS as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 4. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or of 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, 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. 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; may use the terms REALTOR and REALTORS, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(a) If a REALTOR Member is principal in a firm, partnership, or 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, 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 disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR Member (non-principal) elects to sever his connection with the REALTOR and affiliate with another REALTOR Member in good standing in the Board, whichever may apply. Further, the membership of REALTORS other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR Member (non-principal) elects to sever his connection with the REALTOR Member (non-principal) elects to sever his connection the REALTOR and affiliate with another REALTOR Member in good standing in the Association, whichever may apply. If a REALTOR Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR or REALTORS by the firm, partnership, or corporation shall not be affected.

(b) In an 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 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 By-Laws of the National Association of REALTORS.

“NOTE: Local Associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, 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 the rights and privileges and be subject to obligations as prescribed by the Board of Directors.

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

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

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

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

Section 13. Harassment

Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or association officer or director after an investigation in accordance with the procedures of the association.. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the president, and president-elect and/or vice president and one member of the board of directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association’s Code of Ethics and Arbitration Manual. If the complaint names the president, president-elect or vice president, they may not participate in the proceedings and shall be replaced by the immediate past president or, alternatively, by another member of the board of directors selected by the highest ranking officer not named in the complaint.

Article VII - Professional Standards and Arbitration

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the Code of Ethics and

Arbitration Manual of the National Association of REALTORS, as amended from time to time, which is by this reference incorporated into these By-Laws provided, however, that any provision deemed inconsistent with Alabama law shall be deleted or amended to comply with Alabama Law.

Section 2. It shall be the duty and responsibility of every REALTOR Member of this Association to abide by the Constitution and By-Laws and the Rules and Regulations of the Association, the Constitution and By-Laws of the State Association, the Constitution and By-Laws 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.

Article VIII - Use of the term 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 Board 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 term REALTOR or REALTORS in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR Members in good standing. No other class of 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 term REALTOR OR REALTORS only if all of the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession are REALTOR Members of the Association or Institute Affiliate Members with the state or a state contiguous thereto 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 firms, 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 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 term 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 of REALTORS, or upon a determination by the Board of Directors of the National Association of REALTORS that it has violated the conditions imposed upon the terms.

Section 3. The Association hereby 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, By-Laws, Rules and Regulations, and policies of the National Association and Alabama Association of REALTORS.

Article X - Dues and Assessments

Section 1. Application Fee. The Board of Directors may adopt application fees for REALTOR and Non-resident Membership in reasonable amounts, not exceeding three times the amount of the annual dues for REALTOR Membership, which shall be required to accompany each applicant 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 Member. The dues of each REALTOR Member shall be in such an amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR Member and (2) are not REALTOR Members of any Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the association by a Designated REALTOR Member, non-member licensees as defined in Section 2(a) (1) and (2) of this Article shall not be included in the computation of dues if the DR 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 in a firm, partnership, or corporation whose business activity is

substantially all commercial, any assessments for a 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 purposes of this Section, a REALTOR Member of a Members Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer or 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 provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity.

A REALTOR with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR for consideration on 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.

(2) The annual dues of each REALTOR Member, other than the Designated REALTOR shall be in such an amount as established annually by the Board of Directors.

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.

(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 the state Associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state

Association. Local and state Associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.”

(c) Affiliate Members. The dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.

(d) Public Service Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

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

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

In the event of the transfer of a licensee from one Designated REALTOR to another, the Association shall be informed of such change on a form provided by the Association, accompanied by a check for \$25.00, within 30 days of such transfer.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance on January 1st each year. Dues shall be computed from the first day of the quarter in which a Member shall be notified of election and shall be prorated for the remainder of the year.

(a) In the event a REALTOR transfers his license to another Member firm or to a newly created Member firm, such Member shall be given credit for any current dues paid under his previous membership affiliation.

(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 license 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. Non-Payment of Financial Obligations. If dues, fees, fines or other assessments including amounts owed to the Association or the Association’s Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying member is subject to suspension at the discretion of the Board of Directors. Annual dues are delinquent if not paid within 15 days of the due date, and if annual dues are not paid within one (1) month after due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid in full. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, fines or other assessment duly levied in accordance with the provisions of these By-Laws or the provisions of other Rules and Regulations of the Association or any of its Services, departments, division, or

subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership after making payment in full of all accounts due as of the date of termination.

Section 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 finances of the Association but shall not incur an obligation in excess of \$5,000.00 over the available cash on hand without authorization by vote of 2/3 of the Association Member's present at voting.

Section 7. Notice of dues, fees, fines, assessments, or other financial obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or Association's Multiple Listing Service shall be noticed to be 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 Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

Article XI - Officers and Directors

Section 1. Officers. The elected officers of the Association shall be: a President, a President-Elect, a Treasurer and a Secretary. They shall be REALTORS and shall be elected for terms of one year. No one shall be eligible for election to the same office of the Board for two consecutive elected terms except the Secretary.

(a) Executive Vice President. The Executive Vice President shall be a salaried official of the Corporation and will hold office at the pleasure of the Board of Directors. He shall perform all such duties as may be directed by the Board of Directors and shall, subject to the advice and control of the President and the Association, act as general manager to the affairs of the Corporation.

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, the immediate Past President, 12 REALTOR and 2 Affiliate Members of the Association. Directors shall be elected to serve for terms of two years, except that at organization, one-half of the elected directors shall be elected for terms of one and two years, respectively, or such lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many Directors shall be elected each year as are required to fill vacancies. No

REALTOR or Affiliate shall be eligible for election to the local Board of Directors for consecutive elected terms.

(a) The following individuals who are REALTOR Members of Mobile Area Association of REALTORS shall be ex-officio Members of the Board of Directors without voting privileges:

1. All Past Presidents of the Association who maintain a REALTOR Member or Retired Member status.
2. Current officers and directors of the Alabama Association of REALTORS.
3. Current officers and directors of the National Association of REALTORS, or any of its Institutes, Councils, or Societies.

Section 4. Election of Officers, Directors and AAR Directors.

(a) At least two months before the annual election, a Nominating Committee of 7 REALTOR Members shall be appointed by the President with the approval of the Board of Directors. The names of the Nominating Committee Members shall be announced to the Board of Directors at least one month prior to their approval by the Board of Directors. The Nominating Committee shall select one candidate for each office and one candidate for each place to be filled on the Board of Directors. The proposed nominated slate shall be noticed to the REALTOR® Members prior to the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 10% of the REALTOR Members eligible to vote. The petition shall be filed with the Secretary at least two (2) weeks before the election. The Secretary shall send notice of such additional nominations to all Members eligible to vote before the election.

(b) The current Association President shall serve as a Director of the Alabama Association of REALTORS. The Nominating Committee shall nominate from the Active Membership one candidate for each Directorship allotted the Mobile Area Association of REALTORS by the Alabama Association of REALTORS. Said candidates shall be elected as above, and shall serve for incoming officers of the Alabama Association of REALTORS.

(c) The election shall take place at the annual meeting. All votes must be cast in person.

Section 5. Vacancies. Vacancies among the Officers, Board of Directors, Alabama Association of REALTORS Directors, and any other elected positions of the Association shall be filled by a simple majority vote by the Board of Directors. The terms of appointed positions so filled by the Board of Directors shall complete the balance of the elected term.

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 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 Members present and voting shall be required for removal from office.

Article XII - Meetings

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

Section 2. Meetings of Directors. The Board of Directors shall meet at least 6 times a year and shall designate a regular time and place of meeting. Absence from four regular meetings in a calendar year shall be construed as resignation. A quorum shall consist of eight Members.

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 percent of the Members eligible to vote.

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

Section 5. Quorum. A quorum for the transaction of business other than Board of Directors meetings shall consist of those Members eligible to vote who are present at a meeting duly called as required by these Constitution and By-Laws. A simple majority of the votes cast is sufficient for Association action.

Article XIII - Committees

Section 1. Standing Committees. The President shall appoint from the membership, subject to confirmation by the Board of Directors, the following standing committees: Government Affairs, Member Services, Grievance, and Professional Standards.

(a) The Grievance Committee and Professional Standards Committee shall consist only of REALTORS.

(b) The Chairman of each of the above committees shall be designated by the President.

Section 2. Special Committee. The President shall appoint, subject to the confirmation by the Board of Directors, such special committees as deemed necessary.

Section 3. Organization. All committees shall be of such size and shall have such duties, functions and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these By-Laws.

Section 4. President. The President shall be an ex-officio Member of all committees and shall be notified of their meetings.

Section 5. Membership Committee. This committee shall be composed of not less than four REALTOR Members. The committee Chairman shall be appointed by the President.

Section 6. Finance Committee. This Committee shall be composed of nine (9) REALTOR members including the following: Secretary, Treasurer, President-Elect, President, Immediate Past President and four (4) at-large members. At-large members may serve two year staggered terms. At-large members may serve additional terms but in no event shall they serve for more than two (2) consecutive terms

Article XIV - Fiscal and Elective Year

Section 1. The fiscal and elective year of the Association shall be the calendar year.

Article XV - Rules of Order

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

Article XVI - Amendments

Section 1. These By-Laws may be amended by a 2/3 vote of those Members present and qualified to vote at any meeting, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting.

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

Section 3. Amendments to these By-Laws affecting the admission or qualification of REALTOR 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 the 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 Mobile Area Association of REALTORS shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the State of Alabama, all the stock of which shall be owned by the Board of REALTORS.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of cooperation and 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 databases; 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 procuring cause of sale (lease).

Section 3. Governing Documents. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its Corporate Charter, Constitution, By-Laws, Rules, Regulations, Policies, Practices, and Procedures at all times to the Constitution, By-Laws, Rules, Regulations, and Policies of the National Association of REALTORS.

Section 4. Participation. Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a 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.

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

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

(a) A nonmember applicant for MLS participation who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, shall agree to complete a course of instruction (if any) covering the MLS rules and regulations and computer training related to MLS information entry and retrieval, and shall pass such reasonable and non-discriminatory written examination thereon as may be required by the MLS; and shall agree that if elected as a participant, he/she will abide by such rules and regulations and pay the MLS fees and dues, including the nonmember differential (if any), as from time to time established. Under no circumstances is any individual or firm entitled to MLS participation or membership 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 an association 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 an association multiple listing service where access to such information is prohibited by law.

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These By-Laws adopted November 3, 2010, effective November 3, 2010, replace all previous Constitution and By-Laws passed and amended between November 12, 1930, and November 3, 2010.

Melissa Morrisette
President