

BYLAWS OF BALDWIN REALTORS®, INCORPORATED

Article I – Name

Section 1. Name. The name of this organization shall be the Baldwin 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 – Objective

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® and the NATIONAL ASSOCIATION OF REALTORS® thereby furthering their own objectives throughout the state and nation and obtaining the benefits and privileges of membership therein.

Section 6. To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

Article III – Jurisdiction

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is Baldwin County, Alabama.

Section 2. Territorial jurisdiction is defined to mean:

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

Article IV – Membership

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

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

(1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting, or leasing, managing, appraising for others for compensation, counseling, 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 a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the association in which one of the firm’s principals hold REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership.

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

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

- (3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions, and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics except: obligations related to association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local association, state association and National Association. (Adopted 1/96)
- (4) Primary and secondary REALTOR® Members. An individual is a primary member if the association pays State and National Dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another Board/Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.
- (5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate or mediate pursuant to Article 17 of the Code of Ethics and the payment of Association dues. 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.
- (6) Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR -ASSOCIATE® membership, subject to payment of applicable dues for such membership.

(B) 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.

(C) Public Service Members. Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real

estate profession on their own account or in association with an established real estate business.

(D) Honorary Members. Honorary Members shall be individuals not engaged in the real profession who have performed notable service for the real estate profession, for the Association, or for the public.

(E) 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 Constitution and 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, unless prohibited by laws of the State of Alabama, as specified by Article 17 of the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the

Association through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

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

Section 2. Qualification

- (a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association 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.

Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® membership to any applicant who has

unfulfilled sanction pending which was imposed by another Board of Association of REALTOR® for violation of the 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 a Designated REALTOR® Member of another association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Membership Committee and shall agree in writing that if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.
- (c) The Board/Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:
 - 1. All final finding of Code of Ethic's violations and violations of other membership duties in any other REALTOR® 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 this or any other association or association's MLS
 - 6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

“Provisional” membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2 (a) NOTE 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all 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. Election.

The procedure for election to membership shall be as follows:

- (a) The Chief Staff Executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership.
- (b) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all the qualifications for membership as established in the association's bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 90 days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.
- (c) Dues shall be computed from the date of application and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.
- (d) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his/her 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 provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the association of a

declaratory judgement by a court of competent jurisdiction of a final judgement declaring that the termination violates no rights of the individual.

Section 4. New Member Code of Ethics Orientation.

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

Failure to satisfy this requirement within 90 days of the date that provisional membership was granted will result in denial of the membership application or termination of provisional membership.

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

Section 5. Continuing Member Code of Ethics Training.

Effective January 1, 2019, through December 31, 2021 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two 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 REALTOR® association, the Alabama Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-year cycle commences.

Failure to satisfy the required periodic Code of Ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three-year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will automatically be 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 15 days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within 30 days of the date they advised the association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period transition. If the transfer is not completed within 15 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 month in which the member applies for membership 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, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics or its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Membership Committee, or upon recommendation by hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the

Board of Directors, applied on a nondiscriminatory basis, reflects adversely on 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 association staff , provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the association may condition the right of the resigning Member to 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 are entitled to vote and to hold elective office in the Association; and may use the terms REALTOR®. For purposes of this section, the term “good standing” means the member satisfies the “Obligations of REALTOR® Member”, is current with all financial and disciplinary obligations to the association and MLS, has completed any new member requirements, and complies with NAR’s trademark rules.

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

Arbitration manual.

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

- (a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself/herself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the association, by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply.

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

- (b) In any action taken against a REALTOR® Member for suspension or expulsion under

Section 6 (a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6 (a) shall apply.

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

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 rights and privileges and be subject to obligations prescribed by the Board of Directors. Affiliate Members in good standing with the Association shall have the right to vote and to hold office as state director.

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 discussions.

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

Section 12. State Association President. The current President of the Alabama Association of REALTORS® shall be a member of the Baldwin County Association of REALTORS® without payment of dues and shall have all the rights and privileges of a REALTOR® member.

Section 13. 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 all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another Association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify the association of any additional individuals(s) licensed or certified with the firm(s) within 15 days of the date of affiliation or severance of the individual.

Section 14. 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 a hearing in accordance with the established procedures of the association. Disciplinary action may also consist of any sanction authorized in the association's Code of Ethics and Arbitration Manual. 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. 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 Association members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with the laws of the State of Alabama, shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this 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, unless prohibited by the laws of the State of Alabama, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.

Section 3. The responsibility of the association and association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the association with the Mobile Area Association of REALTORS®, which by this reference is made a part of these Bylaws.

Article VIII – Use of the Terms REALTOR® and REALTORS®

Section 1. 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.

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

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

Section 3. A REALTOR® principal member 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 state contiguous thereto are REALTOR® Members or Institute Affiliate Members.

(a) In the case of a REALTOR® principal member 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 holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal 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 Memberships

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 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® or REALTORS®. The Association shall discontinue use of the term in any form in its name, upon ceasing to be 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 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 an amount as established annually by the Board of Directors plus an 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 (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this association.

(1) For the purpose of this Section, a REALTOR® Member of a Member Board 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, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®.

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

- (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, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the Designated REALTOR®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.

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

- (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.
- (b) **REALTOR® Members.** The annual dues of REALTOR® Members other than the Designated REALTOR® shall be in an amount established annually by the Board of Directors.
- (c) **Institute Affiliate Members.** The annual dues of each Institute Affiliate Member shall be established in Article II of the Bylaws of the National Association of REALTORS®.
- (d) **Affiliate Members.** The annual dues of each Affiliate Member shall be in an amount established annually by the Board of Directors.
- (e) **Public Service Members.** The annual dues of each Public Service Member shall be in an amount established annually by the Board of Directors.

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

Section 2. Assessments. The Board of Directors may assess the members by class, provided that notice of the classes of membership to be assessed, the amount of the assessment for each of the classes to be assessed, the purpose of the assessment, and when the assessment is due shall be noticed to all affected classes of members at least 30 days prior to the approval of the assessment by the Board of Directors.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance of January 15. Dues for new members shall be computed from the date of application and granting of provisional membership.

(a) If a Designated REALTOR® is holding a license January 1st of the dues paying year, and that REALTOR® member does not pay their dues, the Designated REALTORS® shall be responsible for payment of the dues for the nonpaying member. This member becomes a non-member.

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

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association 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. Two (2) months after the due date, membership of the nonpaying Member shall 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 fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 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 the Chief Staff Executive/Board of Directors. The financial institution shall be FDIC insured.

Section 6. Expenditures. The Chief Staff Executive of the Association shall administer the day-to-day finances of the Association, under the direction of the Board of Directors.

Section 7. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or the Association's Multiple Listing Service shall be noticed 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® Emeritus (as recognized by the National Association) Past Presidents of the National Association or recipients of the Distinguished Service Award shall be determined by the Board of Directors.

Article XI – Officers and Directors

Section 1. Officers. The elected officers of the Association shall be: a President, a President-Elect, a Secretary/Treasurer and 2 Regional Vice-Presidents. Secretary and Treasurer positions which may be split. They shall be elected for terms of one year. The current President shall serve as the Immediate Past President when their term is complete as President. This shall be a one-year term.

(a) The Chief Executive Officer: He/she shall be the Chief Administrative Officer of the Association, subject to the direction by the President and Board of Directors. He/she shall have the sole authority to employ, manage, supervise, terminate, and fix the compensation of such other staff, and assign suitable titles thereto, as are necessary to conduct the activities of the Association within the approved budget of the Association. He/she shall be the chief financial officer of the Association, shall provide financial reports to the Board of Directors and have all other authority as given by the Board of Directors to conduct the business of the Association.

Section 2. Duties of Officers. The duties of the Officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Chief Staff Executive 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. Directors shall be elected to serve for terms of three years, except that at organization, one-third of the elected Directors shall be elected for terms one, two, and three years, respectfully, or for lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many Directors shall be elected each year as are required to fill any vacancy.

Electronic Meeting

“To the fullest extent permitted by law, the Board of Directors or membership may conduct Association business by electronic means.”

Unanimous Written Consent

Unless specifically prohibited by the Articles of Incorporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the timeline requirements of the action fall prior to the next regularly scheduled meeting. The President, or in the President’s absence, his/her presiding officer, must authorize the vote on the action without a meeting. The action must be noticed in writing to all members of the Board of Directors and written consent of all voting members must be received for the action to be taken. Dissemination of the notice and receipt of votes shall comply with the Baldwin REALTOR® Policies and Procedures. Written notice of action must include an effective date and a date by which the votes must be received. The Corporate Secretary shall file the written action and record of the vote in the corporate records.

Section 4. Election of Officers and Directors.

At least two months before the annual election, a Nominating Committee of at least 5 REALTOR® Members shall be appointed by the Past President and approved 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 report of the Nominating Committee shall be distributed to each Member eligible to vote at least three (3) weeks preceding the election. Additional candidates for 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 Chief Staff Executive at least two weeks before the election. The Chief Staff Executive shall send notice of such additional nominations to all Members eligible to vote before the election.

(a) The election of Officers and Directors shall take place at the annual meeting, or where permitted by state law, electronically. Election shall be by motion from the floor for acceptance of slate, or by ballot, and all votes shall be cast in person.

(b) Where permitted by state law, and in accordance with applicable state requirements, election of officers may be conducted by electronic means, in accordance with procedures established by the Board of Directors.

Section 5. Vacancies. Vacancies among the Officers, Board of Directors, Alabama Association of REALTORS® Directors, and any other elected position of the Association shall be filled by simple majority vote of the Board of Directors until the next annual election.

Section 6. Removal of Officers and Directors. In the event 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 procedures:

- (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 reason(s) the individual is deemed to be disqualified from further service.
- (b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.
- (c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the members. Provided a quorum is present, a three-fourths vote of members present and voting shall be required for removal from office.

Section 7. Chief Staff Executive. There shall be a Chief Staff Executive, appointed by the Board of Directors, who shall be chief administrative officer of the Association. The Chief Staff Executive shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors.

Section 8. Election of Directors, Alabama Association of REALTORS®. The current President and President-Elect shall also serve as a Director of the Alabama Association of REALTORS® as appointed by the Alabama Association of Realtors®. All other directors as authorized by the Alabama Association of Realtors® will be elected at large with election conducted by the Alabama Association of Realtors®.

Article XII – Meetings

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

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meeting. Absence from three regular meetings 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 or the Board of Directors may determine, or upon the written request of at least 10 percent of the Members.

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

Section 5. Quorum. A quorum for the transaction of business other than Board of Directors meeting shall consist of five (5) percent of the Members eligible to vote. A simple majority of the votes cast is sufficient for Board action.

Section 6. Electronic Transaction of Business. To the fullest extent permitted by law, the Board or membership may conduct business by electronic means.

Section 7. Action without Meeting. Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the Chief Staff Executive to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date.

Article XIII – Committees

Section 1. Standing Committees. The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, standing committees: Professional Standards, Grievance, Finance and a MLS Committee.

Section 2. Special Committees. The President shall appoint task forces, special committees, as deemed necessary.

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

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

Section 5. Action without Meeting. Any action which may be taken at a meeting of a committee may be taken without a meeting if an acknowledgement in writing delivered by mail or electronically, by one or more written consents setting forth the action so taken, is signed by all of the members of a committee entitled to vote on the matter.

Section 6. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a video-conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each

other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

Article XIV – Fiscal and Elective

Section 1. The fiscal and elective year of the Association shall be January to December 31.

Section 2. The elective year of the Board of Directors shall be November 1 to October 31.

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

- (a) When Bylaws amendments are mandated by the NATIONAL ASSOCIATION OF REALTORS® policy, these Bylaws may be automatically amended to reflect the mandate as of the effective date of the mandatory policy authorized by the NATIONAL ASSOCIATION OF REALTORS®. The Association shall provide notice of that change in a regular or special membership communications.

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

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

Article XVII – Dissolution

Section 1. Upon the dissolution 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

Section 1. Authority. The 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 Association of REALTORS®.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in any 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 a procuring cause of the sale or 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, Bylaws, Rules, Regulations, and Policies, Practices, and Procedures at all time to the Constitution, Bylaws, Regulations and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Participation. Any REALTOR® member of this or any other Board/Association who is a principal, partner, corporate officer, or branch office manager acting on behalf of the principal, without further qualification, shall be eligible to participate in the Multiple Listing Service upon agreeing in writing to conform to the rules and regulations thereof and to pay 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 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” of any right of access to information developed by or published by a Association 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. (Adopted 11/08)

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. (Adopted 11/08)

- (a) A nonmember 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 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 regulation 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 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 Association Multiple Listing Service where access to such information is prohibited by law.

- (b) Any applicant for MLS participation and any license (including licensed or certified appraisers) affiliated with an MLS Participant who has access to and use of MLS-generated information shall be encouraged to attend an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations. An online computer training related to MLS information entry and retrieval is required to be completed before access is provided.

Section 5. Access to Comparable and Statistical Information. MLS 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 MLS Members and individuals affiliated with Board Members who are also engaged in the real estate business and may 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 MLS, are subject to the applicable provisions of the MLS rules and regulations whether they participate in the MLS or not.

Section 6. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

These By-Laws, effective September 2022 replace all previous Constitution and By-Laws passed and amended.

BALDWIN | MLS

BYLAWS FOR THE BALDWIN COUNTY ASSOCIATION OF REALTORS® MULTIPLE LISTING SERVICE Last amended July 2022

ARTICLE 1 - NAME

The name of this organization shall be Baldwin REALTORS® Multiple Listing Service, Inc., hereafter referred to as the Service, all the shares of stock of which are solely and wholly owned by the Baldwin County Association of REALTORS®, an Alabama non-profit corporation.

ARTICLE 2 - PURPOSE

A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in any 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 a procuring cause of the sale (or lease). (Amended 11/04)

ARTICLE 3 – SERVICE AREA

The service area of the Baldwin County Association of REALTORS® Multiple Listing Service is Baldwin, Mobile, Conecuh and Escambia Counties, Alabama and Escambia County, Florida. The service area of the MLS shall be determined by the MLS Board of Directors.

Note: MLSs are encouraged to establish service areas that encompass natural markets and to periodically reexamine such boundaries. An MLS is not precluded from establishing and maintaining an MLS service area that exceeds the parent association(s) jurisdiction. (Amended 11/17)

ARTICLE 4 – PARTICIPATION DEFINED

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 an Association Multiple Listing Service where access to such information is prohibited by law. The REALTOR® principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership or corporation as the participant shall have all rights, benefits, and privileges of the service, and shall accept all obligations to the service of the participant’s firm, partnership, or corporation, and for compliance with the bylaws and rules and regulations of the service by all persons affiliated with the participant who utilize the service. (Amended 11/08)

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. (Adopted 11/08)

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. (Adopted 11/08)

Participation in the Service is also available to nonmember principals who meet the qualifications established in the Association's Bylaws and MLS rules and regulations. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "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 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 an association multiple listing service where access to such information is prohibited by law. The nonmember principal of any firm, partnership, corporation or the branch office manager designated by said firm, partnership, or corporation shall be termed the "Participant" in the Service and shall have only those rights, benefits, and privileges as specified by the Service, and shall accept all obligations to the Service for the Participant's firm, partnership, or corporation, and for compliance with the Bylaws and rules and regulations of the Service by all persons affiliated with the Participant who utilize the Service.

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. (Adopted 11/08)

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. (Adopted 11/08)

Note 1: The requirements of (1) no record of recent or pending bankruptcy; (2) no record of official sanctions involving unprofessional conduct; and (3) completion of a course of instruction on the MLS rules and regulations and computer training related to MLS information entry and retrieval may be deleted from this section at the option of each association. In state where law requires non-association members be admitted to the MLS of an association of REALTORS®, any limitations or restrictions imposed on participation or membership shall be no more stringent than permissible under the National Association's membership qualification criteria. However, in states where non-association member access to the MLS is not a requirement of state law, association may, at their discretion, establish additional qualifications for non-association member participation and membership in the MLS. (Amended 11/96)

Note 2: An association may also choose to have the membership committee consider the following when determining a nonmember applicant's qualifications for MLS participation or membership:

- all final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years.
- pending ethics complaints (or hearings)
- unsatisfied discipline pending
- pending arbitration requests (or hearings)
- unpaid arbitration awards or unpaid financial obligations to this or any other association or association MLS.

ARTICLE 4.1 – APPLICATION FOR PARTICIPATION

Application for participation shall be made in such manner and form as may be prescribed by the Board of Directors of the Service and made available to any REALTOR® (principal) of this or any other Association requesting it. The application form shall contain a signed statement agreeing to abide by these Bylaws and any other applicable Rules and Regulations of the Service as from time to time amended or adopted. (Amended 2/94)

ARTICLE 4.2 – DISCONTINUANCE OF SERVICE

Participants of the Service may discontinue the Service by giving the Service 30 days written notice and may reapply to the Service after 2 months making formal application in the manner prescribed for new applicants for participation, provided all past dues and fees are fully paid.

ARTICLE 4.3 - SUBSCRIBERS

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

ARTICLE 5 – SERVICE CHARGES

The charges made for participation in the Service shall be as determined, and as amended from time to time, by the Board of Directors of the Service, and specified in the Rules and Regulations of the Service.

ARTICLE 6 – GOVERNMENT OF THE SERVICE

The government of the service shall be vested in a board of directors comprised of the elected officers and directors nominated and elected as described in this article.

All decisions concerning business and affairs of the Service which are made by the Board of Directors of the Service shall be subject to final approval of the Board of Directors of the Baldwin County Association of REALTORS®.

ARTICLE 6.1 – OFFICERS OF THE SERVICE

The officers of the service, who shall also be directors, shall be a president, a vice president, and a secretary-treasurer, and shall have such duties as described in this article.

ARTICLE 6.2 – BOARD OF DIRECTORS

There shall be a total of five (5) elected directors, including the president, vice president, and secretary-treasurer of the service, to be elected from among the participants of the service, except that no directors may be elected from among REALTORS® other than participants or from REALTOR-ASSOCIATES® who are affiliated with participants and serve with consent of the participants as representatives of the participants with whom they are affiliated. In addition to the elected directors, the current president of the Baldwin County Association of REALTORS® or a person appointed by the president, and the immediate past president of the service shall serve as directors, ex-officio, with full voting privileges, bringing the total board members to seven (7). If the president and immediate past president's broker location or size conflict with the elected directors, the president must appoint a director in their place.

The Board of Directors shall consist of participants and subscribers who are primary members of the Baldwin County Association of REALTORS® and shall represent a diversity of small, medium, and large sized firms from all regions of Baldwin County. No more than two (2) directors from any one firm, partnership or corporation may simultaneously serve, except that if a licensee transfer or a merger of two or more firms increases the number of directors from the same firm, partnership, or corporation, those directors shall be allowed to serve the remainder of the year, and any remaining term shall be filled at the next election. No more than two (2) MLS Directors can simultaneously serve on the Baldwin Association of REALTORS Board of Directors.

ARTICLE 6.3 – NOMINATION AND ELECTION OF OFFICERS AND DIRECTORS

The officers and directors of the Service shall be nominated by a vote of the participants in the service in accordance with the provisions of Article 7, meetings, of these bylaws and as set forth below:

- 1. Nominating Committee:** The President of the service shall appoint a Nominating Committee each year, which Committee shall be, comprised of five (5) members of the service and shall include past Association or MLS directors. The appointment of the Nominating Committee shall be made by such a date as to enable the Committee to meet and select a proposed slate of officers and directors of the service, not more than 90 nor less than 21 days prior to the date of the annual meeting of the Board of Directors of the Baldwin County Association of REALTORS® at which the nominees shall be selected by vote of the members of the Board of Directors of the Baldwin County Association of REALTORS®. The proposed slate of officers and directors of the service shall be reported to the President and Secretary of the service.
- 2. Notice of Proposed Nominees:** The President of the service shall cause a list of the proposed nominees selected by the Nominating Committee to be forwarded to the members of the Board of Directors of the Baldwin County

Association of REALTORS® not less than two (2) weeks from the date of the annual meeting at which the selection of officers and directors of the service shall take place, setting forth the time, place, and other pertinent conditions of the meeting to select the officers and directors of the service. Additional candidates for the places to be filled may be placed in nomination at the time of the annual meeting.

3. **Rights of Participants to Select Additional Nominees:** The names of additional proposed nominees may be added to the list selected by the nominating committee by a petition submitted to the Secretary of the service by 10% of the participants of the service, with said petition received not less than 7 days prior to the date of meeting of the participants to select nominees for officers and directors. The names contained in such petition, if duly received and certified, shall be presented in writing to the participants at the meeting to select nominees as additional nominees for consideration for such office as specified in the petition. In addition, nominations may be made from the floor at the duly noticed meeting of the participants to select nominees for officers and directors and, if seconded, shall be added to the list of proposed nominees.
4. **Voting by Written Secret Ballot:** Voting for selection of nominees, if other than on a motion to cast a unanimous vote for the original proposed slate shall be by secret ballot and said ballot shall contain blank spaces for writing in additional names proposed by petition or from the floor at the meeting to select nominees.
5. **Vote to Select Nominees:** Voting shall be in accordance with provisions of Article 7.2 of these bylaws.
6. **Nominees Submitted to Shareholder for Election:** When nominees for officers and directors of the service for the forthcoming fiscal year have been selected by vote of the participants of the service, such nominees shall be submitted to the board of directors of the Baldwin County Association of REALTORS® (shareholder) for election. Upon election by the board of directors of the Baldwin County Association of REALTORS® (shareholder), the individuals so elected shall be considered officers-elect and directors-elect and shall assume their respective offices on November 1st (date office is effective).

The term of office for officers and directors of the service shall be on a calendar year basis (November 1-October 31). In the event one (1) or more nominee(s) is/are not elected by the board of directors of the Baldwin County Association of REALTORS® (shareholder), and upon notice of such failure of election, the president of the service shall select a proposed participant or participants, as required, subject to confirmation by the board of directors, for submission as nominee(s) to the board of directors of the Baldwin County Association of REALTORS® (shareholder) to be considered for election to fill the vacancy or vacancies existing.

In the event that nominees are not duly and timely provided by the service to the board of directors of the Baldwin County Association of REALTORS®, as provided in these bylaws, then the board of directors at Baldwin County Association of REALTORS® shall exercise rights as sole and exclusive shareholder to elect a participant or participants of the service to fill any existing vacancy or vacancies as officers or directors of the service.

ARTICLE 6.4 – TERMS OF OFFICE

The officers shall serve for a one-year term. The elected directors shall serve for staggered three-year terms with one-third of the terms expiring each year. Officers and directors shall take office upon the effective date of their offices and shall continue until their successors are elected, qualified, and installed. No officer or director shall be nominated and elected to the same office for more than two consecutive terms.

ARTICLE 6.5 – DUTIES OF OFFICERS AND DIRECTORS

The duties of the officers and directors are as follows:

1. The president shall be the chief executive officer of the service and shall preside at its meetings and those of the board of directors and shall perform all the duties of the president subject to declared policies and as required, subject to confirmation of the board of directors.
2. The vice president shall, in the absence of the president, perform all of the duties of the president.
3. The secretary-treasurer shall be the custodian of the funds of the service and shall keep an accurate record of all receipts and disbursements. The secretary-treasurer shall provide to all members of the board of directors a quarterly statement of all accounts and financial affairs for the service, and shall have charge of the corporate seal and affix the name to all documents properly requiring such seal.
4. The board of directors of the service shall be the governing body of the service and shall have control of all the affairs of the service and shall authorize all expenditures of funds. The board of directors shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of the service for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the participants of the service for approval on a date not less than 30 days prior to the first day of the next fiscal year. The board of directors shall not incur an obligation in excess of 20% over the total budget without the authorization by vote of a two-thirds majority of REALTOR® participants of the service present and voting unless such excess is the result of an

increase in the volume of listings processed by the service over that projected in preparing the annual budget. The board of directors shall employ such executive, legal and office personnel it deems necessary to care for and maintain the properties of the service and otherwise conduct the administrative business of the service. The board of directors shall have the right to make an audit of all books and accounts at any time without notice. The board of directors shall have the power from time-to-time to adopt such rules and regulations that they may deem appropriate subject to final approval of the board of directors of the Baldwin County Association of REALTORS® (shareholder). Except as otherwise provided in these bylaws and rules and regulations, the action of the board of directors shall be final.

5. To the maximum extent permissible under Alabama law, the service shall indemnify and hold harmless each of its directors and officers against any and all expenses incurred by such director or officer of this service, including, without limiting the generality of the foregoing, the defense of such action, suit or proceeding and the amount of any judgment or award in such action, suit or proceeding.
6. In the event of settlement of such action, suit or proceeding, indemnification shall include reimbursement of amounts paid in settlement and expenses incurred by such director or officer in connection therewith, but indemnification in the instance of settlement shall be provided only if the service is advised by its counsel that, in their opinion, such settlement is for the best interest of the service and the director or officer to be indemnified has not been guilty of gross negligence or wanton misconduct in respect of any matter covered by such settlement. Such right of indemnification shall not be deemed exclusive of any other right or rights to which such director or officer may be entitled under any Bylaws, agreement, vote of the Board of Directors of the service, or otherwise.

ARTICLE 6.6 – REMOVAL OF OFFICERS AND DIRECTORS

In the event that an officer or director of the multiple listing service 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: (Adopted 11/96)

1. A petition requiring the removal of an officer or director and signed by not less than one-third of the participants or a majority of all directors of the MLS shall be filed with the president of the MLS, or if the president is subject to the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service. (Adopted 11/96)
2. 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 participants of the

MLS 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. (Adopted 11/96)

3. The special meeting shall be noticed to all participants at least ten (10) days prior to the meeting, and shall be conducted by the president of the MLS 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 or the hearing by the participants. Provided a quorum is present, a three-fourths vote of participants present and voting shall be required for removal from office. (Adopted 11/96)

4. Any vote taken by the participants to remove an officer or director must ultimately be confirmed by a majority vote of the directors of the shareholder(s). Notwithstanding the foregoing, the shareholder(s) may remove an officer or director by a majority vote of the directors of the shareholder(s). (Adopted 11/96)

5. Any vacancies created by the removal of an officer or director by a majority vote of the directors of the sole shareholder pursuant to Section 6.6(4) may also be immediately filled by a majority vote of the board of directors at Baldwin County Association of REALTORS®, as sole shareholder to elect a participant or participants of the service to fill any existing vacancy or vacancies as officers or directors of the service, until the annual procedures described in Section 6.3 of these Bylaws have been followed.

ARTICLE 7 – ANNUAL MEETINGS

The annual meeting of participants of the service shall be held during the month of October at the time and place specified by the board of directors.

ARTICLE 7.1 – SPECIAL MEETINGS OF THE SERVICE

Special meetings of participants of the service may be called from time to time by the president, the board of directors, or by 50% of the participants of the service. Written notice stating the day, place, and hour of the meeting, the purpose or purposes for which the meeting is called, shall be delivered to all REALTORS® who are participants in the service not less than 30 days prior to said meeting.

ARTICLE 7.2 – QUORUM AND VOTING AT MEETINGS OF THE SERVICE

For the transaction of business, 33% of the participants of the service shall be considered a quorum. A majority vote by such participants present and voting at a meeting attended by a quorum shall be required for passage of motions.

ARTICLE 7.3 - MEETINGS OF THE BOARD OF DIRECTORS

The board of directors may meet at any time it deems advisable on the call of the president or any three (3) members of the board of directors. Four (4) directors shall constitute a quorum. A majority vote by the directors present and voting at a meeting attended by a quorum shall be required for passage of motions.

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

ARTICLE 7.4 - PRESIDING OFFICER

At all meetings of the participants of the service, or of the board of directors, the president or, in the absence of the president, the vice president shall serve as presiding officer. In the absence of the president and vice president, the president shall name a temporary chairperson or, upon the president's failure to do so, the board of directors of the service shall appoint a temporary chairperson.

ARTICLE 8 – COMMITTEES

The president, with the approval of the board of directors, shall create such standing or ad hoc committees as the president deems desirable and shall appoint their members. Each committee shall consist of not less than five (5) participants in the service but may also include REALTOR® or REALTOR-Associate®, employed by or affiliated as independent contractors with a REALTOR® participant serving as representatives of said REALTOR® participants and with their consent, and who may serve either as a chairperson or member of a committee.

ARTICLE 9 – FISCAL YEAR

The fiscal year of the service shall commence on January 1st and shall end on December 31st.

ARTICLE 10 – AMENDMENTS TO BYLAWS

Amendments to these bylaws shall be by the participants of the service, and shall be determined at an annual meeting or special meeting of the service in accordance with the provisions of Article 7, concerning meetings of the service. Amendments to the bylaws of the service approved by the participants shall further be subject to approval of the board of directors of the Baldwin County Association of REALTORS® (shareholder).

When amendments to the bylaws of the service have been approved by the board of directors of the Baldwin County Association of REALTORS® (shareholder),

said amendments shall be effective immediately or as stated in the amending resolution.

If the proposed amendments to the bylaws of the multiple listing service fail approval of the board of directors of the shareholder, the board of directors of the multiple listing service shall be informed and advised that the proposed amendment or amendments to the bylaws be further considered and resubmitted to the shareholder as approved by the participants of the multiple listing service.

ARTICLE 10.1 – AMENDMENTS TO RULES AND REGULATIONS

Amendments to the rules and regulations of the service shall be by consideration and approval of the board of directors of the multiple listing service in accordance with the provisions of Article 7, Section 3, concerning meetings of the board of directors, subject to final approval by the board of directors of the Baldwin County Association of REALTORS® (shareholder).

When approved by the board of directors of the Baldwin County Association of REALTORS® (shareholder) as described, the amendments to the rules and regulations of the multiple listing service shall be effective immediately or as stated in the amending resolution.

If the proposed amendments of the multiple listing service rules and regulations fail approval by the board of directors of the shareholder, the board of directors of the multiple listing service shall be informed, and advised that the proposed amendment or amendments must be further considered and resubmitted as approved by the board of directors of the multiple listing service to the board of directors of Baldwin County Association of REALTORS® (shareholder).

ARTICLE 11 – DISSOLUTION

In the event this service shall at any time terminate its activities, the board of directors of the service shall consider and adopt a plan of liquidation and dissolution with the approval of the participants thereof and of the board of directors of the Baldwin County Association of REALTORS® (shareholder). Said plan shall provide for the collection of all assets, the payment of all liabilities, and that the remaining portions thereof be assigned to the parent corporation, namely, Baldwin County Association of REALTORS®.