

**BYLAWS OF
SOUTH BEND AREA REALTORS®, INC.**

Revised: January 2026

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BYLAWS OF SOUTH BEND AREA REALTORS®, INC.

ARTICLE 1 – NAME

SECTION 1. Name. The name of this organization shall be South Bend Area Realtors®, Inc., hereinafter referred to as the “Association”.

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

ARTICLE II - OBJECTIVES

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 interest of home and other real property ownership.

SECTION 5. To unite those engaged in the real estate profession in this community with the Indiana 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 term REALTOR® 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 shall include all of St. Joseph County, Indiana.

SECTION 2. Territorial Jurisdiction is defined to mean:

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

ARTICLE IV - MEMBERSHIP

SECTION 1. REALTOR® Members.

REALTOR® Members, whether primary or secondary shall be:

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 Indiana 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 holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate membership.

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.

SECTION 2. Franchise REALTOR® Membership.

Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges, and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to association-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.

SECTION 3. Primary and Secondary REALTOR® Members.

An individual is a primary member if the association pays state and National dues based on such member. An individual is a secondary member if state and National dues are remitted through another association. One of the principals in a real estate firm must be a designated REALTOR® member of the association in order for licensees affiliated with the firm to select the association as their "primary" association.

SECTION 4. Designated REALTOR® Members.

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

SECTION 5. 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.

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 the applicant has access to, has carefully reviewed, and if elected a Member, will abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the State and the National Association, and if a REALTOR® Member, will abide by the Code of Ethics of the National Association of REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as from time to time amended, and
- (b) 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 the Code of Ethics referred to above.

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 Board through its Membership Committee or otherwise that they are 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, they will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

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

- (b) Individuals who are 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, has no record of official sanctions involving unprofessional conduct, shall complete a course of instruction covering the Bylaws and Rules and Regulation 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 non-discriminatory written examinations thereon as may be required by the Membership Committee and shall agree in writing that if elected to membership, they will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.
- (c) The Association will also consider the following in determining an applicant's qualifications for REALTOR membership:
 - 1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years.
 - 2. Pending ethics complaints (or hearings)
 - 3. Unsatisfied discipline pending
 - 4. Pending arbitration requests or hearings
 - 5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS
 - 6. Any misuse of the term REALTOR or REALTORS in the name of the applicant's firm.

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) 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 months from the date that provisional membership is approved. Provisional members shall be considered REALTORS and shall be subject to all of the same privileges and obligations of REALTOR membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that they 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 Executive Officer (or other duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the board of directors.
- (b) If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's bylaws; has submitted an application that is false, misleading, or incomplete because of an inclusion or omission; or, if the individual does not satisfy all of the requirements of membership (i.e. completion of the mandatory orientation program) within 180 days from the association's receipt of their application, the application may be rejected, or if membership has been approved then the membership may, at the discretion of the Board of Directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, they shall be declared elected to membership and shall be advised by written notice.
- (c) The board of directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the board of directors, to call witnesses on their behalf, to be represented by counsel and to make such statements as they deem 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. The foregoing notwithstanding, in its discretion the board of directors may reject an initial application and require the applicant to submit a revised application, in lieu of allowing a hearing on the initial application, by providing the applicant with notice of the reasons for the rejection, and specifying a reasonable time within which the revised application must be submitted.

- (d) If the board of directors determines that the application should be rejected, it shall record its reasons with the chief executive officer (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of a litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. The board of directors may also, in its discretion, impose restrictions on the ability of a rejected applicant to submit another application, including a requirement that at least one year must have passed since the effective date of the rejection.

SECTION 4. Code of Ethics: Professional Standards and Training

(a) New Member Code of Ethics Orientation.

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

Failure to satisfy this requirement within 30 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

(b) Continuing REALTOR® Code of Ethics Training.

Effective January 1, 2019, through December 31, 2021 and for successive three-year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS® or 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 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-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

(c) Discipline of REALTOR® Members.

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.

(d) Enforcement of the Code.

The responsibility of the association and of association members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

(e) Continuing Fair Housing Training

Effective January 1, 2025, through December 31, 2027 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 Fair Housing training of not less than two (2) hours 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 State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three year cycle commences.

Failure to satisfy the required periodic Fair Housing 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 year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

New Member Fair Housing Orientation

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete Fair Housing training of not less than two (2) hours 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 State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing

requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less. Failure to satisfy this requirement within 30 days of the date of application, will result in denial of the membership application or termination of provisional membership.

ARTICLE VI – PRIVILEGES AND OBLIGATIONS

SECTION 1. Privileges of REALTOR® Members.

REALTOR® members, whether primary or secondary, in good standing whose financial obligations to the association are paid in full shall be entitled to vote and to hold elective office in the association; and may use the terms REALTOR® and REALTORS; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the association and the real estate profession. For purposes of this section, the term “good standing” means the member satisfies the “Obligations of REALTOR® Members”, is current with all financial and disciplinary obligations to the association and MLS, has completed any new member requirements, and complies with NAR’s trademark rules.

SECTION 2. Obligation of REALTOR® Members.

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 Constitution and Bylaws governing documents and the rules and regulations policies of the association, the Constitution and Bylaws of the State Association, and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by 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 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.

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

ARTICLE VII - USE OF THE TERM REALTOR® AND REALTORS®

SECTION 1. REALTOR® Trademark.

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

REALTOR® members of the association shall have the privilege of using the terms REALTOR® 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.

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 a state contiguous thereto are REALTOR® members or Institute Affiliate members.

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.

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 VIII - STATE AND NATIONAL MEMBERSHIPS

SECTION 1. The Association shall be a Member of the National Association of REALTORS® and the Indiana Association of REALTORS®. By reason of such membership, each REALTOR® Member of the Member Association shall be entitled to membership in the National Association of REALTORS® and the Indiana 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® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association,

or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

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

ARTICLE IX - FINANCE

SECTION 1. The Finance Committee shall submit a budget to the Board of Directors no later than September 1st of each year. The recommended budget, initiation fees and dues for each class of membership shall then be subject to final approval by the Board of Directors.

SECTION 2. REALTOR® MEMBERS. The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any 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 board.)

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

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

substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, 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.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR membership during the preceding calendar year.

SECTION 3. AFFILIATE MEMBERS. The annual dues of each Affiliate Member shall be as established annually by the Board of Directors.

SECTION 4. INSTITUTE AFFILIATE MEMBERS. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the National Association of REALTORS.

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

SECTION 5. PUBLIC SERVICE MEMBERS. The annual dues of each Public Service Member shall be as established annually by the Board of Directors.

SECTION 6. STUDENT MEMBERS. Dues payable, if any, shall be at the discretion of the Board of Directors.

SECTION 7. The Association shall be notified within fifteen (15) days of the date a salesperson is associated with a REALTOR® Member or of the date a salesperson becomes disassociated from the REALTOR®. Such reports shall be in the manner and with such information as the Board of Directors shall from time to time direct.

SECTION 8. Dues.

(a) Application Fee.

The board of directors may adopt an application fee for REALTOR® membership in reasonable amount, not exceeding three (3) times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership and which shall become the property of the association upon final approval of the application.

(b) Designated REALTOR® Member Dues.

The annual dues of each Designated REALTOR® member shall be in such amount as established annually by the board of directors, plus an additional amount to be established annually by the board of directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in the state or 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.

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 provided that such licensee is not otherwise included in the computation of dues payable by the principal of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, managing, counseling, or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the designated REALTOR®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.

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

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

(c) Institute Affiliate Member Dues.

The annual dues of each Institute Affiliate member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE X - OFFICERS AND DIRECTORS

SECTION 1. OFFICERS. The elected officers of the Association shall be: a President, President Elect and a Secretary/Treasurer. They shall be elected for terms of one year.

SECTION 1.1. EXECUTIVE COMMITTEE. The Executive Committee of the Association shall be comprised of the President, the President Elect, the Immediate Past President, and the Secretary/Treasurer. The Executive Committee has the authority to meet, discuss, decide and act upon confidential matters and emergencies, and such other matters as may be delegated to it by the Board of Directors from time to time.

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. The President will review and approve all records and minutes prepared by or under the authority of the Executive Director, and is responsible for signing corporate recertification documents with the State of Indiana. The President Elect shall act for the President in their absence. It shall be the particular duty of the Secretary/Treasurer as the case may be to make a financial report at each meeting of the Board of Directors, oversee the keeping of the records of the Association and carry on all necessary correspondence with the Indiana Association of REALTORS® and the National Association of REALTORS®, except to the extent that the Board of Directors delegates this authority to the Executive Director. The Secretary/Treasurer as the case may be shall oversee the keeping of an accurate set of financial books and records of the Association, which shall be open for inspection by any member of the Association, except to the extent that the Board of Directors delegates this authority to the Executive Director. At the end of their term of office, the Secretary/Treasurer shall submit the books, together with all substantiating data of income and of expense to the Executive Committee. All records kept by the Secretary/Treasurer and the Executive Director shall be deemed to be the property of the Association and shall be turned over to their successor.

SECTION 3. DUTIES OF DIRECTORS; TERM LIMITS. In addition to all duties imposed by law and inherent in the position, the Board of Directors will review the financial reports of the

Association and advise the Immediate Past President and the Executive Director with respect thereto. Directors consisting of the elected officers and nine (9) REALTOR® members of the Board of Directors shall be elected to serve for terms of three (3) years; provided, that no more than 3 Directors may be affiliated with the same real estate office at any one time. Thereafter, as many Directors shall be elected each year as required to fill vacancies. Beginning on January 1, 2024, no person may serve (or continue to serve, if currently serving) as a Director and/or Officer for more than 7 consecutive years, whether attaining office by election or appointment, and must wait at least one full year before becoming a Director or Officer again. There shall be a limit of no more than three (3) people from the same company allowed to serve on the Board of Directors at the same time. In addition to the elected Directors and Officers, the current President of the Multiple Listing Service of South Bend Area REALTORS®, Inc., or an MLS Director appointed by such, and the Immediate Past President of the Association of REALTORS® shall be members of the Board of Directors with full voting privileges for a one-year term. A quorum shall be majority of the voting directorate. The President of the Association may vote to break or create a tie. The Directors will procure and maintain adequate Errors and Omissions and Directors insurance coverages.

SECTION 3.1. EXECUTIVE DIRECTOR; STAFF. The Directors may hire Executive Director to serve at the pleasure of the Board and on such other terms and conditions, and with such delegated duties and responsibilities, as the Board may determine from time to time. The Executive Director will keep records and minutes of all meetings and other proceeding of the Board, and together with the Financial Coordinator will oversee the keeping of an accurate set of financial books and records, under the direction of the Immediate Past President, which shall be open for inspection by any member of the Association.

SECTION 4. NOMINATING COMMITTEE.

- (a) At least one (1) month before the voting period for election of Directors, a Nominating Committee of five (5) REALTOR® Members shall be appointed by the President, if necessary, with the approval of the Board of Directors. The Nominating Committee shall consist of Members of the Association of REALTORS®, not of the same firm, and no more than three (3) may be currently serving on the Board of Directors.
- (b) The responsibilities of the Nominating Committee shall be:
 - 1. Determine if candidates meet the necessary qualifications.
 - 2. If ten (10) or less Director candidates, ALL qualified candidates will be slated.
 - 3. If more than ten (10) Director candidates, the committee will conduct a vote to reduce the slate to ten (10) qualified candidates.
 - 4. At least one (1) qualified candidate must be slated for each open position.
- (c) Additional candidates may be placed in nomination by a petition signed by at least 20% of the total number of REALTOR® Members. The petition shall be filed with the President at least one (1) week preceding the voting period for election of Directors.

SECTION 5. ELECTION OF DIRECTORS.

- (1) Procedure and timeframe for election of Directors is as follows:
 - a. Executive Officer sends a letter to all REALTOR® members in March soliciting candidates for Director and Officer positions.
 - b. If necessary, President appoints Nominating Committee in April.
 - c. If Nominating Committee is appointed
 1. President submits list of Nominating Committee members for Board of Director approval at their May Directors meeting.
 2. Nominating Committee will meet in June to select slate for Directors & Officers.
 3. Nominating Committee slate for Directors & Officers submitted to Board of Directors for approval at the July Directors meeting.
 - d. If Nominating Committee was not appointed, the Executive Officer will submit the slate of Officer and Directors to the Board of Directors at the July Directors meeting.
 - e. Director candidate profiles will be obtained by Association staff after the July Directors meeting.
 - f. The procedure and timeframe to vote for election of Directors will be placed on the MLS computer message page and other communications media no later than September 1st.
 - g. Director candidate profiles and ballot will be placed on an electronic ballot accessible to all REALTOR® members for a one-week timeframe, coinciding with the elective voting period, between September 15th and October 15th of each year. Electronic voting will be available to all REALTOR® members for a one-week (seven day) time period, as noticed to the membership, beginning no earlier than September 15 and ending no later than October 15 of each year.
 - h. Ballots will be electronically counted and election results will be noticed to members via the MLS computer message board and other communications media in November.
- (2) During the voting period, the REALTOR® members shall vote for one candidate for each Director vacancy to be filled and the nominees who receive the highest number of votes shall be duly elected Directors for the terms for which they are elected: namely three (3) years ending on December 31st of the third year following that in which the election occurs.
- (3) In case of a tie vote, the selection shall be made by lot under the direction of the Executive Committee.
- (4) Vacancies among the Board of Directors shall be filled by a simple majority vote of the Board of Directors for the balance of the term.

SECTION 6. ELECTION OF OFFICERS

- (a) The election of Officers shall take place at first scheduled Board of Directors meeting immediately following the election of Directors, but no later than November 30th; but a delay does not disqualify the current Officers.
- (b) The current President shall preside at the meeting.

- (c) The Officers shall be elected by the current Board of Directors by written ballot.
- (d) All Officers shall be elected from among the REALTOR® Members and the favorable vote of a majority of those eligible to vote shall be for election.
- (e) The Officers and Directors shall begin their terms on January 1 of that year. The Association will conduct an installation ceremony in January. All Officers and Directors must sign the Association's current Confidentiality Agreement prior to taking office.
- (f) In the case of a tie, the selection shall be made by lot under the direction of the Association Officers.

SECTION 7. REMOVAL OF DIRECTORS AND OFFICERS. Any Director or Officer may be removed at any time, without cause, by a vote of $\frac{3}{4}$ vote of the entire Board at special meeting called for that purpose, or at a regular meeting if the matter is stated in a notice of the meeting.

ARTICLE XI - MEETINGS

SECTION 1. MEETINGS OF DIRECTORS.

- (a) The Board of Directors shall meet regularly during the year, at least ten (10) times each year at regular times duly announced to the Members. Absence from there (3) regularly scheduled meetings during a one-year period, shall be construed as a resignation. A quorum for all meetings shall be a majority of all Directors.
- (b) Notice of Directors meetings shall be sent out to all Directors via email.
- (c) Directors may institute electronic voting, at their discretion.
- (d) If the President of the Association declares an emergency (weather, pandemic, etc.) meetings may be conducted by audio or video conferencing technology, provided that all in attendance are able to hear each other. Other than declared emergencies, no Director may participate in more than two (2) meetings per calendar year by remote means, and anything in excess of that will be deemed an absence.

SECTION 2. OTHER MEETINGS. Meetings of the Members may be held at such other times as the President or Board of Directors may determine, or upon the written request of at least 25% of the REALTOR® Members in good standing.

SECTION 3. NOTICE OF MEETINGS. Due notice by email shall be given to Director or Member, as the case may be, at least five (5) days preceding all meetings accompanied by a statement of the purpose of the meeting, except for established regular meetings, subject to Section 1 (d) above.

SECTION 4. MEETINGS OF THE REALTOR MEMBERSHIP

For the transaction of any business 10% of the REALTOR members present in person, by proxy or voting electronically shall be considered a quorum. A majority vote by such REALTOR members voting with a quorum attained shall be required for passage of a motion.

SECTION 5. BOARD OF DIRECTORS MEETINGS. Board of Directors meetings are closed but the Minutes shall be available to any REALTOR® Members of the Association upon request.

SECTION 6. PROXY VOTING. All Proxy votes shall be cast on a form provided by the Association Directors.

ARTICLE XII – COMMITTEES

SECTION 1. The President shall, with the approval of the Board of Directors, appoint such standing and special committees as they may deem necessary. The President Elect shall appoint chairpersons for the standing committees by November 30th for the following year. The President shall be notified of all committee meetings and shall have the right to attend their sessions and take part in discussions. The chairperson and a majority of all standing committees shall be REALTOR® Members of the Association with the following exceptions:

- (a) Members of the Grievance Committee shall be REALTOR® Members.
- (b) Members of the Professional Standards Committee shall be REALTOR® Members.

SECTION 2. SPECIAL COMMITTEES. The Directors may by resolution, provide for the appointment by the President of special committees to serve not longer than one (1) year, and having such members and authority as the activating resolution may prescribe.

ARTICLE XIII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of the association and of association members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which by this reference is incorporated into these bylaws, provided however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law. By agreement with the Indiana Association of REALTORS, South Bend Area REALTORS, Inc. may refer any or all professional standards matters, including requests for ethics, arbitration, and mediation, to the Indiana Association of REALTORS for handling and disposition.

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 mediate (The duty to mediate requires that mediation must be attempted before Arbitration is utilized to resolve controversies among REALTOR® members.) and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this association, as from time to time amended.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

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

ARTICLE XV - RULES OF ORDER

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

ARTICLE XVI – DEFINITIONS

The following terms, when used in these Bylaws will mean as defined below:

ASSOCIATION: South Bend Area REALTORS®, Inc.

BOARD OF DIRECTORS: The Board of Directors of South Bend Area REALTORS®, Inc.

NATIONAL ASSOCIATION: The National Association of REALTORS®.

REAL ESTATE COMMISSION: The Indiana Real Estate Commission

STATE ASSOCIATION: The Indiana Association of REALTORS®.

MANAGING BROKER: "Managing broker" refers to a broker whom the commission holds responsible for the actions of licensees who are affiliated with the managing broker and who meets the requirements of IC 25- 34.1-4-0.5.

BROKER ASSOCIATE: (4) "Broker" means a person who: (A) for consideration, sells, buys, trades, exchanges, options, leases, rents, manages, lists, or appraises real estate or negotiates or offers to perform any of those acts; and (B) is acting in association with and under the auspices of a managing broker.

ARTICLE XVII - AMENDMENTS

SECTION 1. These Bylaws, with the exception of Article VIII, may be amended by a majority vote of the REALTOR® Members present and qualified to vote at any meeting at which a quorum is present as per Article XI, Section 4, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve the amendments to the Bylaws which are mandated by NAR policy. Article VIII may be amended only by a 2/3 vote of all REALTOR® Members.

SECTION 2. Notice by email of all meetings at which such amendments are to be considered shall be given to every REALTOR® Member at least five (5) days prior to the time of meeting.

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

ARTICLE XVIII - MULTIPLE LISTING

The Multiple Listing Service operated as a separate Corporation wholly-owned by the Association.

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 Indiana, 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 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. **M**

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 times to the Constitution, Bylaws, Rules, Regulations, and Policies of the National Association of REALTORS®.

SECTION 4. PARTICIPATION. Any REALTOR® Member of this or any other Association who is a principal, partner, corporate officer, or branch manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing 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 cooperate or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients. Use of information developed by or published by an Association Multiple Listing Service is strictly limited to the activities authorized under a Participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation”, or “membership” or any right of access to information developed by or published by an Association Multiple Listing Service where access to such information is prohibited by law.

Mere possession of a broker’s license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm cooperate 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. Share information on listed property and make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their client(s). “Actively” means on a continual and ongoing basis during the operation of the participant’s real estate business. The “actively” requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly

time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

The key is that the participant or potential participant actively endeavors to cooperate with respect to properties of the type that are listed on the MLS in which participation is sought. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients. 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 cooperate. 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.

ARTICLE XIX - DISSOLUTION

SECTION 1. Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to any non-profit tax-exempt organization or the Indiana Association of REALTORS®, at the discretion of the Board of Directors.