BYLAWS of NORTHWEST OHIO REALTORS®

ARTICLE I - NAME

<u>Section 1. Name.</u> The name of this organization shall be Northwest Ohio REALTORS®, Incorporated, an Ohio nonprofit corporation hereinafter referred to as the "Association."

<u>Section 2. REALTORS®</u>. Inclusion and retention of the registered collective membership mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II - OBJECTIVES

The objectives of the Association are:

<u>Section 1.</u> 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.

<u>Section 2.</u> 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[®].

<u>Section 3.</u> 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.

<u>Section 5.</u> To unite those engaged in the real estate profession in this community with the Ohio 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.

<u>Section 6.</u> 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

<u>Section 1.</u> The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is the City of Toledo, Lucas County, Ohio, and Wood County, Ohio.Lucas, Fulton Williams, Defiance, Henry, Wood, Paulding, Putnam, Hancock and Wyandot Counties and the city of Fostoria.

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 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, or building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of OHIO 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 as described in Section 1(b) of Article IV. (*)

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

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 set out in Article V.
- 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.
- (4) Primary and Secondary REALTOR® Members. An individual is a primary member if the Association pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another Association. 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) <u>Designated REALTOR® Members</u>. Each firm (or office in the case of firms with multiple locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principle(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.
- (b) <u>Institute Affiliate Members.</u> Institute Affiliate Members shall be individuals who hold a professional designation awarded by an iInstitute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.
- (c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs
 (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.
 - "Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the Association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property".
- (d) <u>Public Service Members.</u> Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.
- (e) <u>Honorary Members</u>. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.
- (f) <u>Student Members.</u> 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 with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® Member will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics. and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, 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.

Section 2. Qualification.

- (a) An applicant for REALTOR® membership who is a sole proprietor, partner, corporate officer or branch manager of a real estate firm shall supply evidence satisfactory to the Board of Directors that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member) has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.*
 - <u>NOTE 1</u>: One or more of the requirements for REALTOR® Membership set forth above in Article V, Section 2(a) may be deleted at the Association's discretion. However, the Association may NOT adopt membership qualifications more rigorous than specified in the Membership Qualification Criteria for REALTOR® Membership approved by the Board of Directors of the National Association.
 - <u>NOTE 2</u>: Article IV, 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 Association of REALTORS® for violation of the Code of Ethics.

*NO RECENT OR PENDING BANKRUPTCY is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, or corporate officer, or branch manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

**NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the Association may only consider judgements within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

- (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 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 of Directors will also consider the following in determining an applicant's qualification 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

"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 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.

Section 3. Election. The procedure for election to membership shall be as follows:

- (a) 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 of the qualifications for membership as established in the association's bylaws, or, if the individual does not satisfy all of the requirements of membership, i.e. completion of 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.
- (b) 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 pro-rated amount to cover the number of days that the individual received association services and any application fee.
- (c) 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 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.
- (d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Chief Executive Officer. 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 Board of Directors for a declaratory judgment by a court of competent jurisdiction of a final judgment 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 (where applicable) shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less.

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

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

Failure to satisfy this required periodic ethics training shall be considered a violation of membership duty. Failure to meet the requirement in any two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) 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 holds membership shall be required to provide written notification to the Association within 30 days. A REALTOR® (non-principal) who becomes a principal in the firm with which he 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 of transition. If the transfer is not completed within thirty (30) days of the date of the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

NOTE: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.

- (b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.
- (c) Dues shall be prorated from the first day of the month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

<u>Section 7. Use of Communications Equipment</u>. Any application for membership, any written notice, objections, report, any vote and any written comment or information required or permitted by Article V may be sent or submitted by any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

<u>Section 1.</u> 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 nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® and 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®.

<u>Section 3.</u> 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.

<u>Section 4.</u> Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or 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. Resignations may be sent by communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the responded was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any disciple ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®. The 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®.
- <u>Section 6. REALTOR® Members.</u> 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. REALTOR® Members may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII. REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.
 - (a) If a REALTOR® Member is 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, 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, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.
 - (b) In 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.
- <u>Section 7. Institute Affiliate Members</u>. 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®.

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

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

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

<u>Section 10. Honorary Members.</u> Honorary Membership shall confer only the right to attend meetings and participate in discussions.

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

Section 12. Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association during the month of November, through a procedure developed by the Chief Executive Officer, 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 REALTORS® office(s) and if Designated REALTOR® Dues have been paid to another Association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2 (a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual.

SECTION 13. Harassment. Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-Elect and/or Vice President and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the associations Code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest-ranking officer not named in the complaint.

<u>Section 14</u>. <u>Use of Communications Equipment</u>. Any written notice, report, finding, comment or information and any vote required or permitted by this Article VI may be sent or submitted by any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

<u>Section 1.</u> The responsibility of the Association and of the 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.

<u>Section 2.</u> 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, 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.

<u>Section 3.</u> The responsibility of the Association and of 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, which by this reference is made a part of these Bylaws.

<u>Section 4.</u> The Board of Directors is hereby authorized to establish with one or more other REALTOR® associations a cooperative agreement such as may be necessary to fulfill this association's responsibilities as a Member Association of the NATIONAL ASSOCIATION OF REALTORS® for enforcement of the Code of Ethics and the provision of arbitration and mediation services to mMembers. Further, the Board of Directors shall ensure that appropriate and competent administrative support is provided to fully implement and sustain such joint arrangement.

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

<u>Section 1.</u> 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*.

<u>Section 2.</u> 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.

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

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

to those additional places of business.

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

<u>ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS</u>

<u>Section 1.</u> The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Ohio 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 Ohio REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

<u>Section 2.</u> 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.

<u>Section 3.</u> 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 Ohio REALTORS®.

ARTICLE X - DUES AND ASSESSMENTS

<u>Section 1. Application Fee.</u> 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 such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Association in the state or state contiguous thereto Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a designated REALTOR® Member, non-member licensees as defined in Section 2 (a)(1) of this Article shall not be included in the computation of dues if the DR has paid dues based on said non-member licensees in another Association in the state, or a state contiguous thereto provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees

shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

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

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® 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) <u>REALTORS® Members</u>. The annual dues of each REALTOR® Member other than the Designated REALTOR® or corporate officer shall be in such amount as established annually by the Board of Directors.
- (c) <u>Institute Affiliate Members.</u> The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the National Association of REALTORS®

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

- initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.
- (d) <u>Affiliate Members.</u> The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.
- (e) <u>Public Service Members.</u> The annual dues of each Public Service Member shall be in such amount as established annually by the Board of Directors.
- (f) <u>Honorary Members.</u> Dues payable, if any, shall be at the discretion of the Board of Directors.
- (g) <u>Student Members.</u> Dues payable, if any, shall be at the discretion of the Board of Directors.

<u>Section 3. Dues Payable.</u> Dues for all members shall be payable annually in advance on the first day of Januarya date set by the Board of Directors. Dues shall be computed from the date of application and granting of provisional membership. (No portion of the annual dues shall be refunded to any Member in the event of his resignation, or termination during the year for which the dues were paid.)

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

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association or the Subsidiary Corporation's Multiple Listing Service are not paid within 30 days of the due date, membership of the nonpaying Member shall automatically terminated. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, fines, or other 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 a date of termination.

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

<u>Section 6. Expenditures.</u> The Board of Directors shall administer the day to day finances of the Association.

<u>Members.</u> All dues, fees, fines, assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or the Subsidiary Corporation's Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

<u>Section 8.</u> The dues of REALTOR® Members who are REALTOR® EMERITI (as recognized by the National Association), Past Presidents of the National Association or recipients of the

Distinguished Service Award shall be as determined by the Board of Directors.

NOTE: A member Association's dues obligation to the National Association is reduced by an amount equal to the amount which the Association is assessed for a REALTOR® Member, times the number of REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® Members of the Association. The dues obligation of such individuals to the local Association should be reduced to reflect the reduction in the Association's dues obligation to the National Association. The Association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Association's obligation to the State Association with respect to such individuals. Member Associations should determine whether the dues payable by the Association to the State Association are reduced with respect to such individuals. It should be noted that this does not affect a "Designated" REALTOR®'s dues obligation to the Association with respect to those licensees employed by or affiliated with the "Designated" REALTOR® who are not Members of the local Association.

<u>Section 9. Use of Communications Equipment.</u> Any notice and any invoice for dues or assessments required or permitted by Article X may be sent or submitted by any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of seventeen (17) members including the President, the Immediate Past President, the President-Elect, the Treasurer, a Greater Bowling Green Area Real Estate Association Member, two (2) Heartland Real Estate Association Members, a Small Brokerage REALTOR® (defined as a REALTOR® working for a brokerage with less than 50 agents) and a Commercial REALTOR®. The Chief Executive Officer will serve as a non-voting member of the Board of Directors. Annually, there shall be an election of a sufficient number of Directors so that the Board of Directors shall at all times consist of seventeen (17) members unless there is no formally organized group representing the Greater Bowling Green Area Real Estate Association area. If the membership of the Heartland Real Estate Association falls below 100 their representation on the Board of Directors will be reduced to one member and eliminated entirely if there is no formally organized group representing the Heartland Real Estate Association. Members shall serve a term of three years except for (a) the President, President-Elect, and Treasurer whose terms as Director shall be automatically extended through their term as Past President; (b) the NORIS Appointee whose term shall be one year; and (c) the Chief Executive Officer shall serve as long as he or she is serving the Northwest Ohio REALTORS® in such capacity. No members shall be elected to serve more than two consecutive full terms as a Director without a lapse of at least one year, except the NORIS appointee. The NORIS appointee may serve two consecutive one-year terms without a lapse of at least one year. No more than four (4) REALTORS® from the same real estate firm may simultaneously serve on the Board of Directors. If an election results in two or more persons from the same company being elected and not all of them can serve on the Board of Directors because of the foregoing company limitations, the elected persons will be seated on the Board of Directors based on the number of votes received with the person receiving the most votes being seated first.

<u>Section 2. Officers.</u> The elective officers of the Board shall be: a President, a President-Elect, and a Treasurer who shall be elected from among the members of the Board of Directors at the first Board of Directors meeting after the Annual Business Meeting each year. Election of the former President-Elect as President shall be automatic. Election of the former Treasurer as President-Elect shall be automatic. The new officers and Directors shall assume management

of the business and property of the Association at the first Board of Directors meeting following the annual election. The officers shall hold office at the pleasure of the Board of Directors, and unless sooner removed by the Board, until their successors are chosen and qualified the following year. The Board of Directors may remove any officer at any time, with or without cause, by a majority vote.

<u>Section 3. Duties of Officers.</u> 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 CEO to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and Ohio REALTORS®.

<u>Section 4. Executive Committee.</u> There shall be an Executive Committee composed of the following: President as Chairman, President-Elect, Treasurer, Immediate Past President, and the NORIS Appointee. The Chief Executive Officer will serve as a non-voting member of the Executive Committee. The Executive Committee, in addition to their duties as officers shall conduct the affairs of the Association in the interval between meetings of the Board of Directors.

<u>Section 5. Chief Executive Officer.</u> The Board of Directors may employ a Chief Executive Officer, prescribe the duties and fix the compensation of said Chief Executive Officer.

Section 6. Election of Directors.

- (a) At least two (2) months eight (8) weeks before the annual election the Chief Executive Officer will notify the membership of the election and solicit applications from members desiring to run for an open seat on the Board of Directors. A Nominating Committee of seven (7) REALTOR® Members shall be appointed by the President with the approval of the Board of Directors ("REALTOR® Nominating Committee"). Nominating Committee shall consist of: the Immediate Past President as Chairman, at least two (2) REALTOR® Members holding active broker's licenses and who are either a manager, officer, or a principal in the firm and at least (2) REALTOR® Members holding active sales licenses. In the year a Commercial REALTOR® must be elected one of the six members must be a Commercial REALTOR® who may either hold an active sales license or broker's license or who is either a manager, officer or principal of a firm. In the year a Small Brokerage REALTOR® must be elected one of the six members must be a Small Brokerage REALTOR® who may either hold an active sales license or broker's license or who is either a manager, officer or principal of a firm. REALTOR® Nominating Committee will certify each candidate meets the minimum requirements as approved by the Northwest Ohio REALTORS® Board of Directors each year. When necessary, the REALTOR® Nominating Committee will recruit members to run for open seats on the Board of Directors. The report of the REALTOR® Nominating Committee shall be presented to each REALTOR® member at least five (5) days preceding the election. Additional candidates may be placed in nomination by petition signed by at least seventy-five (75) REALTOR® Members. Said candidates must furnish a resume stating their qualifications, and the petition must be filed with the Treasurer at least three (3) weeks prior to the election. Candidates nominated by petition must meet the same requirements as other candidates outlined in this section. Multiple nominations of the same individuals for a directorship received by any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702 shall be treated as a single written nomination petition for such individual.
- (b) At least two months eight (8) weeks before each annual election where a vacancy occurs in the Greater Bowling Green Area Real Estate Association Member position, the Chief Executive Officer will notify the membership of the Greater Bowling Green Real

Estate Association of the election and solicit applications from members desiring to run for the Greater Bowling Green Real Estate Association Member seat. A Nominating Committee of five (5) Greater Bowling Green Area Real Estate Association Members shall be appointed by the President of the Greater Bowling Green Real Estate Association with the approval of the Board of Directors of the Greater Bowling Green Real Estate Association ("Greater Bowling Green Area Real Estate Association Nominating Committee"). The Greater Bowling Green Real Estate Association Nominating Committee will certify each candidate meets the minimum requirements as approved by the Northwest Ohio REALTORS® Board of Directors each year. When necessary, the Greater Bowling Green Real Estate Association Nominating Committee will recruit members from the Greater Bowling Green Real Estate Association to run for the Greater Bowling Green Real Estate Association Member seat on the Board of The Greater Bowling Green Area Real Estate Association Nominating Committee shall nominate at least one for the Greater Bowling Green Real Estate Association Member to the Board of Directors. The Greater Bowling Green Area Real Estate Association Nominating Committee shall select candidates pursuant to Section 1 above. The report of the Greater Bowling Green Area Real Estate Association Nominating Committee shall be mailed presented to each Greater Bowling Green Area Real Estate Association Members at least five (5) days preceding the election. If there is no formally organized Greater Bowling Green Area Real Estate Association, the position will be eliminated from the Board of Directors.

- (c) At least eight (8) weeks before each annual election where a vacancy occurs in the Heartland Real Estate Association Member position(s), the Chief Executive Officer will notify the membership of the Heartland Real Estate Association of the election and solicit applications from members desiring to run for the Heartland Real Estate Association Member seat(s). A nominating committee of five (5) Heartland Real Estate Association Members shall be appointed by the President of the Heartland Real Estate Association with the approval of the Board of Directors of the Heartland Real Estate Association ("Heartland Real Estate Association Nominating Committee"). Heartland Real Estate Association Nominating Committee will certify each candidate meets the minimum requirements as approved by Northwest Ohio REALTORS® Board of Directors each year. When necessary, the Heartland Real Estate Association Nominating Committee will recruit members from the Heartland Real Estate Association to run for the Heartland Real Estate Association Member seat(s) on the Board of Directors. The Heartland Real Estate Association Nominating Committee shall select candidates pursuant to Section 1 above. The report of the Heartland Real Estate Association Nominating Committee shall be presented to each Heartland Real Estate Association Member at least five (5) days preceding the election. If membership of the Heartland Real Estate Association falls below 100 members, there will only be one (1) seat representing the Heartland Real Estate Association on the Board of Directors. If there is no formally organized Heartland Real Estate Association, the positions will be eliminated from the Board of Directors.
- (d) Prior to any scheduled election, the Board of Directors shall determine the method by which the election will be conducted. Voting may take place by paper ballot or by an Internet voting system or utilizing any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702. This decision shall be made at least 180 days prior to notice of the election. The election shall be by secret ballot. The REALTOR® Member ballot shall contain the names REALTOR® Members may vote for fewer REALTOR® Member candidates. candidates, but not more than the amount of vacancies on the Board of Directors (excluding the Bowling Green CouncilGreater Bowling Green Area Real Estate

Association and Heartland Real Estate Association Member positions). The Greater Bowling Green Real Estate Association Members and Heartland Real Estate Association Members must vote for and elect one candidate. All ballots shall be anonymous. Only such ballots as are received at the offices of the Association or cast electronically, as applicable, no later than 5:00 PM on the date of the election shall be deemed by the Election Committee to be qualified for counting.

- (i) In the case of an election by paper ballot, the ballots, with covering envelopes furnished by the Association, shall be mailed to each REALTOR® Member, as appropriate, eligible to vote at least fifteen (15) days prior to the date of election. The REALTOR® Member ballot to be sent to the REALTOR® Members, Greater Bowling Green Real Estate Association Member ballot to be sent to the Greater Bowling Green Area Real Estate Association Members, and the Heartland Real Estate Association Members must be enclosed in a securely sealed envelope and signed by the Member casting the ballot and shall be mailed or delivered to the Chief Executive Officer in a separate transmittal envelope or deposited in the ballot box.
- (ii) In the case of an election by Internet voting, a voting notice and instructions on how to vote will be sent via electronic mail to each REALTOR® Member, Greater Bowling Green Area Real Estate Association Member and Heartland Real Estate Association Member for whom an electronic mail address is on file. Notice shall be provided via ordinary mail to REALTOR® Members, Greater Bowling Green Real Estate Association Members and Heartland Real Estate Association Members who do not have electronic mail. Members may cast votes in accordance with the electronic voting instructions or by casting a vote on the computer at the Association's office.
- (iii) In the case of an election utilizing communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702, the Board of Directors shall establish the procedures and guidelines.

Section 7. Vacancies. Vacancies among the officers and the Board of Directors shall be filled by a simple majority of the Board of Directors until the next annual election.

<u>Section 8. Removal of Officers and Directors.</u> In the event that an officer or director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the officer or director may be removed from office under the following procedure.

- (a) A petition requiring the removal of an officer or director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- (b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the officer or director, and to render a decision on such petition.
- (c) The special meeting shall be noticed to all voting members at least ten (10) days

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

(iii) Section 9. Conflicts of Interest. No Director or Officer shall engage in any course of conduct which may result in a conflict of interest with the Board of Directors or the Association or take any public position inimical to the best interests of the Association, without the prior written approval of the Board of Directors. No Director shall vote on any matter in which the Director has a conflict of interest. To the greatest extent allowed by Ohio law, any contract or other transaction between the Association and one or more of its Directors, or between he Association and any entity of which one or more of the Association's Directors are interested shall be valid for all purposes, notwithstanding the presence of such Director at the meeting at which the Board of Directors of the Association acts upon, or in reference to, such a contract or transaction, and notwithstanding the participation of the Director in such action, if the fact of such interest shall be disclosed or known to the Board of Directors, and the Board of Directors nevertheless, authorize, approve or ratify such contract or transaction by a vote of a majority of the Directors present. Unless Ohio law otherwise prohibits or permits, the interested Director may be counted in determining whether a quorum is present but may not be counted in voting upon the matter or in calculating the majority of such quorum necessary to carry such vote. This Article XI shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto. Nothing in this Article XI shall be construed to allow the Association to engage in self-dealing within the meaning of Section 4941(d) of the Internal Revenue Code (or corresponding provisions of any later federal law)

ARTICLE XII - MEETINGS

<u>Section 1. Annual Meetings.</u> The annual meeting of the REALTOR® Members will be held each year, the date, time and place to be designated by the Board of Directors. Any member may participate in the annual meeting by any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702.

<u>Section 2. Meetings of Directors.</u> The Board of Directors shall meet at least six (6) times each year and shall designate the time and place of meetings. Absence from three (3) consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation there from. Any Director may participate in any meeting by any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702.

<u>Section 3. Other Meetings.</u> Meetings of the Members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least ten percent (10%) of the Members eligible to vote. Any Director may participate in any meeting by any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702.

<u>Section 4. Notice of Meetings.</u> Written notice shall be given to every member entitled to participate in the meeting at least ten (10) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting. The notice shall also state the means, if any, by which members can participate through authorized communications equipment. Notice may be given by any of the following means: personal delivery, telegram, telecopy, ordinary mail, electronic mail, express mail or any other communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702.

<u>Section 5. Quorum.</u> A quorum for the transaction of business at any regular or special meeting of the Board of Directors or the members shall consist of a majority of the members of the Board of Directors or Members present or participating via any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702.

<u>Section 6. Transaction of Business.</u> To the fullest extent permitted by law, the Board of Directors or membership may conduct business, including giving any notice, attending or participating in meetings, giving a copy of any documents or transmitting any writing, or voting, by communications equipment as permitted under Ohio Revised Code Chapter 1702.

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 a "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 of the approvals evidencing the consent shall be delivered to the Chief Executive Officer 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. Any action required to be taken at a meeting of the Members may be taken without a meeting if a "consent in writing", setting forth the action taken, shall be signed by a majority of the Members eligible to vote. Any transmission by any communications equipment that contains an affirmative vote or approval of a Director or a Member is a signed writing for purposes of this section to the full extent permitted under Ohio Revised Code Chapter 1702.

ARTICLES XIII - COMMITTEES

<u>Section 1. Standing Committees.</u> The President shall appoint the chairman and members of all standing committees, subject to confirmation by the Board of Directors.

<u>Section 2. Special Committees.</u> The President shall appoint, subject to confirmation by the Board of Directors, such special committees as he may deem necessary.

<u>Section 3. Organization.</u> All committees shall be of such size and shall have such duties, functions and powers as may be assigned to them by the President of the Board of Directors, except as otherwise provided in these Bylaws. No committee shall incur any expense unless authorized by the Board of Directors. Actions by the committees with respect to the Association's position in matters relating to public issues, policies or positions must be approved by the President or the Board of Directors.

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

<u>Section 5. Action Without Meeting.</u> Any committee may act by unanimous "consent in writing" without a meeting. 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 of the members of the committee. Any transmission by any communications equipment that contains an affirmative vote or approval of the committee member is a signed writing for purposes of this section to the full extent permitted under Ohio Revised Code Chapter 1702.

<u>Section 6. Attendance by Communications Equipment.</u> Members of a committee may participate in any meeting through the use of any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702. Such participation shall be at the discretion

of the President and shall constitute presence at the meeting.

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

<u>Section 1.</u> The 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. Provided, however, that Roberts' Rules of Order shall be suspended for any meeting conducted through the use of any communications equipment to the full extent permitted under Ohio Revised Code Chapter 1702. Such meetings shall be conducted in accordance with procedures and guidelines adopted time – to – time by the Board of Directors.

ARTICLE XVI - AMENDMENTS

<u>Section 1.</u> These Bylaws may be amended after approval of the Board of Directors and by majority vote of the REALTOR® Members present and qualified to vote or participating by communications equipment, as defined under Ohio Revised Code Chapter 1702, at any meeting at which a quorum is present, provided the substance of such proposed amendment(s) shall be plainly stated in the call for the meeting. Article IX may be amended only by a majority vote of all REALTOR® Members, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present or participating by communications equipment, approve amendments to the Bylaws which are mandated by NAR policy.

<u>Section 2.</u> Notice by mail of all meetings at which such amendments are to be considered shall be given to every REALTOR® Member at least one week prior to the time of the meeting. A notice sent by electronic mail to REALTOR® Member's electronic mail address shall satisfy the notice requirement of this Section.

<u>Section 3.</u> Amendments to these Bylaws affecting the admission or qualification of REALTOR® Members 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

<u>Section 1.</u> Upon the dissolution or winding up of the affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to any non-profit and tax-exempt educational or charitable institution.

ARTICLE XVIII - MULTIPLE LISTING

Section 1. Authority. The Northwest Ohio REALTORS® shall maintain for the use of its Members a Multiple Listing Service, which shall be operated by a lawful corporation of the State of Ohio all the stock of which shall be owned by the Association ("Subsidiary Corporation").

<u>Section 2. Purpose.</u> The 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 both; or in other agency or non agency capacities defined by law; by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public.

Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

<u>Section 3. Governing Documents.</u> The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article and operated by the Subsidiary Corporation to conform its corporate Charter, Articles of Incorporation, Constitution, Bylaws, Rules, Regulations, Policies, Practices, and Procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS® and to the provisions of this Article XVIII.

Section 4. Participation. Any REALTOR® Member of this or any other Association 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 the Multiple Listing Service operated by the Subsidiary Corporation 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 the Multiple Listing Service "Membership" or "Participation" unless they hold a current, valid real estate broker's license and offer and 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 the Multiple Listing Service operated by the Subsidiary Corporation 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 the Multiple Listing Service operated by the Subsidiary Corporation where access to such information is prohibited by law.

Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm 'offers or accepts cooperation and compensation' means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of

transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. 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 on a nondiscriminatory manner to all Participants and potential Participants.

Section 5. Access to Comparable and Statistical Information. Association Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS operated by the Subsidiary Corporation, 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. The information is provided for the exclusive use of Association Members and individuals affiliated with Association 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 a Association service or through the MLS operated by the Subsidiary Corporation, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

<u>Section 6. Subscribers.</u> Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant's licensed designee.

Adopted January 16, 2020