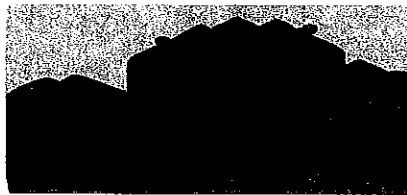


Santa Fe



Association of REALTORS®

Bylaws of the Santa Fe Association of REALTORS®, Inc.

Adopted By Board of Directors August 20, 2009

And

Adopted by Membership October 27, 2009

Effective January 1, 2010

Amended by Board, with Mandatory NAR Revisions,
Pursuant to Section 17.3, on November 30, 2009, February 18, 2010, April 15, 2010

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Bylaws of the Santa Fe Association of REALTORS®, Inc.

Article 1

Restatement and Replacement of Prior Bylaws

1.1 **Repeal of Prior Bylaws; Effective Date.** Effective January 1, 2010, these 2009 Amended and Restated Bylaws repeal the Amended and Restated Bylaws of the Santa Fe Association of REALTORS®, Inc., adopted on June 18, 1997, as amended on September 4, 1998, October 23, 2000, April 19, 2001, August 22, 2002, November, 2003, February, 2005, July, 2005, April, 2007 and January, 2009 (Original Bylaws). The Original Bylaws shall be completely supplanted by these 2009 Amended and Restated Bylaws. The Original Bylaws shall have no further force and effect whatsoever.

1.2 **Purpose.** These 2009 Amended and Restated Bylaws provide for governance of Santa Fe Association of REALTORS®, Inc. and are intended to otherwise comply with all provisions of the Constitution and Bylaws of the National Association of REALTORS®, as amended from time to time, in order for the Association to retain its membership with the National Association of REALTORS®.

1.3 **Association Name.** The name of the corporation is the Santa Fe Association of REALTORS®, Inc.

1.4 **REALTORS® Mark.** 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 amended from time to time. Use of the mark is further governed by Article 8.

Article 2

Definitions

2.1 **Amendments to Bylaws:** any restatement, modification or amendment of the Bylaws.

2.2 **Amendments to Articles:** any restatement, modification or amendment of the Articles.

2.3 **Articles or Articles of Incorporation:** the Articles of Incorporation filed with the New Mexico Corporation Commission on March 12, 1975 as amended by the Articles of Amendment filed on October 25, 1990 changing the name of the Association, and as further amended or supplemented.

2.4 **Association:** Santa Fe Association of REALTORS®, Inc. created by the Articles of Incorporation.

2.5 **Board or Board of Directors:** the Board of Directors of the Association.

2.6 **Bylaws:** these 2009 Amended and Restated Bylaws of the Santa Fe Association of REALTORS®, Inc., as amended from time to time.

2.7 **Chief Executive:** the person employed by the Board to handle the administrative affairs of the Association with the duties described in Section 11.3.

2.8 **Code of Ethics:** the Code of Ethics adopted by NAR, as amended from time to time.

2.9 **Code of Ethics and Arbitration Manual:** the manual published by NAR setting forth the Code of Ethics and procedures for ethics hearings and the arbitration of disputes among Members and third parties, as amended from time to time.

2.10 **Designated REALTOR® Members:** the REALTOR® Member designated by each firm or office to be responsible for the duties and obligations described in Section 4.2.5.

2.11 **Director:** a member of the Board elected as provided in Article 11.

2.12 **Membership Committee:** the committee established by the Board of the Association to review applications for Membership in the Association.

2.13 **Membership Governing Documents:** The Code of Ethics of the National Association of REALTORS®, the Constitution, the Bylaws, Rules and Regulations of the association, the State and National Associations.

2.14 **Members:** the members of the Association.

2.15 **Memberships:** the classes of memberships described in Article 4.

2.16 **MLS:** the multiple listing service provided by the Association and further described in Article 19.

2.17 **MLS Participants:** the participants in MLS authorized under Article 19.

2.18 **MLS Rules:** the rules and regulations governing MLS authorized under Section 19.6.

2.19 **NAR:** the National Association of REALTORS®.

2.20 **Officer:** an officer appointed or elected as provided in Article 11.

2.21 **Official Sanctions Involving Unprofessional Conduct:** judgments within the past three years of violations of (a) civil rights laws; (b) real estate license laws; (c) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities and (d) criminal convictions if (i) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (ii) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

2.22 Pending or Recent Bankruptcy Proceeding: An applicant for REALTOR® membership who is a sole proprietor, partner, corporate officer, member or manager of limited liability companies or branch office manager of a real estate firm shall supply evidence satisfactory to the association, through its membership committee or otherwise, that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and rules and regulations of the association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the National Association of REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon, as may be required by the committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, rules and regulations, and Code of Ethics.

2.23 RANM: the REALTORS® Association of New Mexico.

2.24 REALTORS®: REALTOR® Members

2.25 REALTOR® Principal Member: a Member described in Section 4.2.2.

2.26 Rules and Regulations: the rules, regulations and policies of the Association, RANM and NAR as adopted and amended from time to time.

2.27 Standing Committees: the committees established by the Board as provided in Article 13 and referred to in these Bylaws by capitalized terms, which include the following: Affordable Housing, Awareness, Bylaws, Commercial Council, Community Services, Education, Executive, Finance and Personnel, Government Affairs, Grievance, Marketing, Membership, Multiple Listing Service, Nominating, Professional Standards, REALTOR® of the Year and RPAC.

Article 3 Objectives of the Association; Jurisdiction

3.1 Objectives: The objectives of the Association are to:

3.1.1 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.

3.1.2 Promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of NAR.

3.1.3 Provide a unified medium for the real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

3.1.4 Further the interests of home and other real property ownership.

3.1.5 Unite those engaged in the real estate profession in this community with RANM and NAR, thereby furthering their own objectives throughout New Mexico and the nation, and obtaining the benefits and privileges of membership therein.

3.1.6 Designate, for the benefit of the public, those individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed and controlled by NAR.

3.2 **Territorial Jurisdiction.** The territorial jurisdiction of the Association, as approved by the Board of Directors of NAR is all of the Santa Fe County, less and excepting, that portion which falls north of a line extending from the NW corner of Section 31 T. 19 N., R. ® E. N.M.P.M. thence due East to the Mora County line and which is bounded by the Santa Fe County line on the East, North and West.

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

Article 4 Membership

4.1 **Classes of Membership.** There shall be seven classes of Membership, as described in this Article 4. REALTOR® Members may obtain membership in a Asecondary@ board or association in another state upon compliance with Section 4.2.4. Only REALTOR® Members shall be entitled to vote on Association matters.

4.2 **REALTOR® Members.** REALTOR® Membership, whether primary or secondary, shall be:

4.2.1 **Individual Membership; REALTOR® Membership.** Individuals, licensed by the New Mexico Real Estate Commission, who as sole proprietors, partners, corporate officers, members or managers of limited liability companies, 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 located within the State of New Mexico or a contiguous state.

4.2.2 **Principals of Firms; REALTOR® Principal Membership.** All persons who are partners in a partnership, all officers in a corporation, or all members of a limited liability company who are actively engaged in the real estate profession within New Mexico or a contiguous state, shall qualify for REALTOR® Membership only. Each person is required to hold REALTOR® Membership (except as provided in the following Section 4.2.3) individually in the Association or a local board or association of REALTORS® within the State of New

Mexico or a state contiguous unless otherwise qualified for Institute Affiliate Membership as described in Section 4.4.

4.2.3 Commercial Firms; REALTOR® Membership. In the case of a real estate firm, partnership, corporation or limited liability company, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® Membership, shall be required to hold REALTOR® Membership unless otherwise qualified for Institute Affiliate Membership as described in Section 4.4.

4.2.4 Primary and Secondary REALTOR® Members. An individual is a primary member if the Santa Fe Association pays to RANM and NAR dues based on such Member. An individual is a secondary Member if RANM and NAR dues are remitted through another board or 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 Board.

4.2.5 Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate, in writing, one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 1® of the Code of Ethics and the payment of Association dues established in Article 10. The Designated REALTOR® must be a sole proprietor, partner, corporate officer, members or managers of limited liability companies, or branch office manager acting on behalf of the firm's principal or principals and must meet all other qualifications for REALTOR® Membership established in Article 5.

4.2.6 REALTOR Members Other Than Principals. Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, branch office managers or members or managers of limited liability companies and are associated with a REALTOR® Member and meet the qualifications set forth in Article 5.

4.3 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 Sections 4.2, 4.4 and 4.5 of this Article 4 have local business interests requiring information concerning real estate.

4.4 Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with NAR 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.

4.5 Franchise REALTOR® Members. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty 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 board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the Association, RANM and NAR.

4.6 Public Service Members. Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public, utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.

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

4.8 Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in real estate business on their own account or not associated with an established real estate office.

Article 5

Qualification and Election to Membership

5.1 Forms of Application.

5.1.1 Applications; Generally. An application for membership shall be made in such manner and form as may be prescribed by the Board and made available to anyone requesting an application. Each applicant shall agree that the Association, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons. The applicant shall agree 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 shall 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, Rules and Regulations and Code of Ethics.

5.1.2 REALTOR® Member Application Forms. In addition to the provisions of Section 5.1.1, the application form for a REALTOR® Member shall include a statement, signed by the applicant, certifying that the applicant is a licensed real estate broker or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and that the applicant agrees, as a condition of Membership, to: (a) thoroughly familiarize himself or herself with the Membership Governing Documents, and (b) if elected a Member, the applicant will abide by the Bylaws and the Rules and Regulations of the Association, RANM and NAR. A REALTOR® Member applicant shall further agree to abide by the Code of Ethics 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.

5.2 Qualifications; Requirements.

5.2.1 REALTOR® Memberships; Examination.

5.2.1.1 An applicant for REALTOR® membership who is a sole proprietor, partner, corporate officer, branch office manager or members or managers of limited liability companies of a real estate firm shall supply evidence satisfactory to the association, through its membership committee or otherwise, that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and rules and regulations of the association, the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon, as may be required by the committee, and shall agree that if elected to membership, he/she will abide by such *Constitution*, Bylaws, rules and regulations, and Code of Ethics. (Amended 1/05)

5.2.1.2 Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or members or managers of limited liability companies 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 regulations of the association, the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the membership committee, and shall agree in writing that if elected to membership he/she will abide by such *Constitution*, Bylaws, rules and regulations, and the Code of Ethics.

5.2.1.3 The applicant shall agree to complete a course of instruction within the first two scheduled orientations following approval of Membership by the Board of Directors covering the Membership Governing Documents. The applicant shall also pass such reasonable and nondiscriminatory written examination thereon as may be required by the Board or Membership Committee. The applicant shall further agree that if elected to Membership will abide by the Membership Governing Documents.

5.2.2 Other Memberships. Affiliate Members, Public Service Members, Honorary Members and Student Members shall be individuals and firms who, while not engaged in the real estate profession, are in sympathy with the objectives of the Association.

5.3 Election to Membership. The procedure for election to Membership shall be as follows:

5.3.1 REALTOR® Member Applicants; Provisional Membership.

5.3.1.1 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 REALTOR® Members 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. If the Board determines that the applicant does not meet all of the qualifications for membership as established in the Bylaws, or, if the applicant does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within the first two scheduled sessions after the Association's receipt of the provisional Member's application, Membership may, at the discretion of the Board of Directors, be terminated.

5.3.1.2 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, provided all other qualifications for membership have been satisfied. The Association may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved.

5.3.1.3 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 the applicant 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.

5.3.2 Dues Non-refundable. Dues shall be computed from the date of application and shall be non-refundable unless the Board of Directors terminates the applicant's membership in accordance with subsection 5.3.1.1 above. In such instances, dues shall be returned to the applicant less a prorated amount to cover the number of days that the applicant received Association services and any application fee.

5.3.3 Termination of Provisional Membership.

5.3.3.1 The Board may not terminate any provisional Membership without providing the provisional Member with advance notice, an opportunity to appear before the Board, to call witnesses on the provisional Member's behalf, to be represented by counsel, and to make such statements as the provisional Member deems relevant. The Board may also have counsel present. The Board may elect that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

5.3.3.2 If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Chief Executive. If the Board 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 for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

5.4 **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 the first two scheduled orientations following approval of Membership by the Board (or alternatively, the date that provisional membership was granted) will result in denial of the Membership application or termination of provisional Membership.

5.5 Continuing Member Code of Ethics Training.

5.5.1 Effective January 1, 2001, through December 31, 2004, and for successive four 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 quadrennial 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 association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four (4)-year cycle shall not be required to complete additional ethics training until a new four (4)-year cycle commences.

5.5.2 Failure to complete the required periodic ethics training shall be considered a violation of a membership duty.

5.5.3 Failure to meet the requirement will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

5.6 Changes in Status.

5.6.1 A REALTOR® Member who changes the conditions under which the Member holds membership shall be required to provide written notification to the Association within thirty days. A Member (non-principal) who becomes a principal in the firm with which the Member has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® Members 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) Member. If the Member (non-principal) does not satisfy the requirements established in these Bylaws for the category of Membership to which the Member has transferred within thirty days of the date the Member advised the Association of the Member's change in status, the Member's new Membership application will terminate automatically unless otherwise so directed by the Board of Directors.

5.6.2 A REALTOR® Member who is transferring their license from one firm comprised of REALTOR® Members (principals) to another firm comprised of REALTOR® Members (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 days of the date the Board is advised of the disaffiliation with the current firm, Membership will terminate automatically unless otherwise so directed by the Board.

Article 6 Privileges and Obligations; Discipline

6.1 **Additional.** The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article 6.

6.2 **Violations; Sanctions.** Any Member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board for violation of these Bylaws, Association Rules and Regulations, after hearing as provided in the Code of Ethics and Arbitration Manual. 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 and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Association, RANM and NAR.

6.3 **Discipline.** 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, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of NAR as set forth in the Code of Ethics and Arbitration Manual.

6.4 **Resignations.** Resignation of Membership shall become effective when received in writing by the Board, 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. If a Member resigns or otherwise causes his or her 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®.

6.5 **Re-application.** If a Member resigns from the Association or otherwise causes Membership to terminate with an ethics complaint pending, the Board may condition the right of the resigning Member to reapply for membership upon the applicant's certification that the applicant will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

6.6 **REALTOR® Members; Vote on Association Matters.** REALTOR® Members, whether primary or secondary, in good standing, whose financial obligations of the Association are paid in full, shall be entitled to vote and to hold elected office in the Association, may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article 8. REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

6.7 **Period of Suspension; Entities; Associated Members.** If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, a member or manager of a limited liability company 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, corporate officers, company members, members or managers of a limited liability company 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, corporation or company is severed, whichever may apply. Further, the membership of a REALTOR®, 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, corporation or company is severed, or unless the REALTOR® Member (non-principal) elects to sever that Member's connection with the suspended or terminated REALTOR® Member 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, corporation, or company is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, corporation or company shall not be affected.

6.8 Notice to Associated REALTORS®. In any action taken against a REALTOR® (principal) Member for suspension or expulsion under Section 6.2 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 of this Article 6 shall apply.

6.9 Affiliate Members. Affiliate and local business members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board.

6.10 Institute Affiliate Members. Institute Affiliate Members shall have such rights and privileges and be subject to such obligations as are prescribed by the Board of Directors in compliance with the Constitution and Bylaws of NAR. No Institute Affiliate Member may be granted the right to use the term REALTOR® or REALTOR®-ASSOCIATE® or the REALTOR® logo; to serve as President of the Association; or to be a MLS Participant.

6.11 Public Service Members. Public Service members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board.

6.12 Honorary Members. Honorary membership shall confer no rights except the right to attend meetings and participate in discussions, and shall impose no obligations.

6.13 Student Members. Student members shall have such privileges and rights and shall be subject to such obligations as may be prescribed by the Board.

6.14 Certification by Designated REALTOR® Member. Each October, on a form provided by the Association, Designated REALTOR® Members of the Association shall certify to the Association a complete listing of all individuals licensed or certified in the Designated REALTOR®'s office or offices and shall designate a primary board or association for each individual who holds Membership. Each Designated REALTOR® shall also identify any non-member licensees in the Designated REALTOR®'s office or offices. If the Designated REALTOR®'s dues have been paid to another board or association based on said non-member licensees, the Designated REALTOR® shall identify the board or association to which dues have been paid. These declarations shall be used for purposes of calculating dues under Article 10 of these Bylaws. Designated REALTOR® Members shall also notify the Association of any additional individual, licensed or certified with the Designated REALTOR®'s firm within thirty days of the date of affiliation or resignation of the individual.

6.15 Prohibition Against Harassment of Association Employees. Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for any harassment of an employee of the Association or MLS or an Officer or Director of the Association following 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, the President Elect and/or First Vice-President and one other member of the Board selected by the highest ranking officer not named in the complaint, upon consultation with counsel for the Association. Disciplinary action may also consist of any sanction authorized in the Association's Code of Ethics and Arbitration Manual. If the complaint names the President, President Elect or First Vice President, they may not participate in the proceedings and shall be replaced by the immediate past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

Article 7

Professional Standards and Arbitration

7.1 Code of Ethics. The responsibility of the Board and of Board 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, as amended from time to time, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

7.2 Compliance. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Member Governing Documents and to abide by the Code of Ethics, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 1® 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, as from time to time amended.

7.3 Professional Standards. 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 with other participating associations which by this reference is made a part of these Bylaws.

Article 8

Use of the Term REALTOR® and REALTORS®

8.1 Use of Terms. Use of the terms REALTOR® and REALTORS® by REALTOR® Members shall, at all times, be subject to the provisions of the Constitution, Bylaws and Rules and Regulations of NAR. The Board shall have the authority to control, jointly and in full cooperation with NAR, 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.

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

8.3 **REALTOR® Principals.** A REALTOR® Member who is a principal of a real estate firm, partnership, corporation or limited liability company may use the terms REALTOR® or REALTORS® only if all the principals of such firm, partnership, corporation or company who are actively engaged in the real estate profession within New Mexico or a contiguous state, are REALTOR® Members or Institute Affiliate Members as described in Section 4.4.

8.4 **Commercial REALTORS®.** In the case of a REALTOR® member who is a principal of a real estate firm, partnership, corporation or limited liability company 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, member or manager of a limited liability company or branch office manager of the firm, partnership, corporation or company holds REALTOR® Membership. If a firm, partnership, corporation or company operates additional places of business in which no principal, partner, corporate officer, member or manager of a limited liability company 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.

8.5 **Other Members.** Affiliate Members, Institute Affiliate Members, Public Service Members, Honorary Members and Student Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of NAR.

Article 9 State and National Membership

9.1 **Association Membership in RANM and NAR.** The Association shall be a member of NAR and RANM. By reason of the Association's Membership, each REALTOR® Member of the Association shall be entitled to membership in NAR and RANM without further payment of dues. The Association shall continue as a member of RANM and NAR, unless by a majority vote of all its REALTOR® Members, decision is made to withdraw, in which case RANM and NAR shall be notified at least one month in advance of the date designated for the termination of such membership.

9.2 **Exclusive Rights of NAR.** The Association recognizes the exclusive property rights of NAR 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 NAR, or upon a determination by the Board of Directors of NAR that the Association has violated the conditions imposed upon the terms.

9.3 **Adoption of Code of Ethics.** The Association hereby adopts the Code of Ethics of NAR and agrees to enforce the Code of Ethics among its REALTOR® Members. The Association and

all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of NAR and RANM.

Article 10 Dues and Assessments

10.1 Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in a reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Association upon final approval of the application.

10.2 Processing Fees and Special Charges. The Board of Directors may adopt reasonable processing fees and special charges, when determined to be needed. Such fees may include but not be limited to the following fees, which are to be applied on a uniform basis:

10.2.1 New Offices. The Association may charge a processing fee for all new offices joining the Association. The processing fee will become the property of the Association and said fee is to accompany application. A new office exists when a change in the Designated REALTOR® occurs or a business entity is formed and a Designated REALTOR® is named, but an office continues in existence when its Designated REALTOR® assigns, in writing, the Designated REALTOR® status to a qualified individual in the same firm.

10.2.2 Change in Offices. The Association may charge a processing fee for a REALTOR® Member's change of office. A change of office exists when any REALTOR® Member relocates his or her real estate license from one Designated REALTOR® office to another such office.

10.3 Annual Dues. The annual dues of Members shall be as follows:

10.3.1 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 (a) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Members, and (b) are not REALTOR® Members of any board or local association in New Mexico or a contiguous state, or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees above under subparagraphs (a) and (b) shall not be included in the computation of dues, if the Designated REALTOR® has paid dues based on said non-member licensees in another board or local association in New Mexico or a contiguous state, provided the Designated REALTOR® notifies the Association in writing of the identity of the association or board to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, corporation or company whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated

with the Designated REALTOR® in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

10.3.2 REALTOR® Members; Dues. For purposes of this Section, a REALTOR® Member of a member board shall be held to be any Member who has a place or places of business within the State or a contiguous state, and who, as a principal, partner, corporate officer, member or branch office manager of a real estate firm, partnership, corporation or limited liability company, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of NAR. An individual shall be deemed to be licensed with a REALTOR® Principal Member if the license of the individual is held by the REALTOR® Principal Member, or by any broker who is licensed with the REALTOR® Principal Member, or by any entity in which the REALTOR® Principal Member has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Sections 10.3.3 and 10.4 hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate office, member or manager of a limited liability company or branch office manager of the entity.

10.3.3 List of Licensees. 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®.

10.4 Proration of Dues. 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.

10.5 Annual Dues for REALTOR® Members. The annual dues of REALTOR® Members, including Designated REALTORS® shall be as prescribed annually by the Board of Directors. Annual dues and MLS Fees are non-refundable.

10.6 Annual Dues for Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of NAR.

10.7 Annual Dues for other Memberships. Other classes of membership will pay dues as prescribed annually by the Board of Directors.

10.8 Dues Payable. Dues for all members shall be payable annually in advance on the first day of November. Dues for new members shall be computed from the date of application and granting of provisional membership. The Board of Directors may establish fees for the late payment of dues.

10.9 Termination of Licensee. In the event a licensee or licensed or certified appraiser who holds REALTOR® Membership is dropped for non-payment of Board dues, and the licensee remains with the Designated REALTOR®'s firm, the dues obligation of the Designated REALTOR® 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.

10.10 Nonpayment of Financial Obligations; Automatic Termination. If dues, fees, fines, or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid within one month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three months after the due date, Membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his or her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the board or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

10.11 Financial Institutions; Deposit. All money 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.

10.12 Expenditures. The Board of Directors shall administer the finances of the Association. No capital expenditure in excess of ten percent of the total annual operating budget approved by the Board nor any purchase of real property of any amount may be made unless authorized by written ballot of a majority of the REALTOR® Members appearing, by person or proxy, at a meeting called for this purpose at which a quorum of the Members of the Association is present.

Article 11

Officers and Directors; Election; Appointments; Administrator

11.1 Elected Officers. The elected officers of the Association shall be: a President, a President Elect, and a First Vice-President who shall be elected by the REALTOR® Members for a term of one year.

11.2 Appointed Officer. The appointed officer of the Association shall be a Secretary-Treasurer, appointed by the President and President Elect, and confirmed by the Board of Directors, to serve a term of two years.

11.3 Chief Executive; Employee. The Board shall employ a Chief Executive who shall be the chief administrative employee of the Association. The Chief Executive has the authority to hire, supervise, evaluate and terminate other staff, and shall perform such other duties as prescribed by the Board of Directors. The Chief Executive shall keep the records of the Association and be responsible for correspondence with NAR and RANM. The Chief Executive shall serve at the pleasure of the Board and shall not be deemed to be either an Officer or Director of the Association.

11.4 Duties of Officers. The duties of the officers shall be as their titles, by general usage would indicate, and such as may be assigned to the officers by the Board of Directors.

11.5 Board of Directors. The governing body of the Association shall be the Board of Directors, consisting of the Elected Officers, the appointed Secretary-Treasurer and nine REALTOR® Members of the Association elected by the REALTOR® Members. In addition, the immediate Past President shall serve as a voting member of the Board of Directors for a term of one year. The current chairs of the Multiple Listing Service Committee and the Commercial Council Committee shall serve as appointed, voting members of the Board of Directors during such tenure as Chair. If the current Chair of the Multiple Listing Service Committee or the current Chair of the Commercial Council Committee is already serving as an elected Officer or Director, or has been appointed to fill a vacant term of an elected Officer or Director, then this individual shall assume that elected or appointed position and shall have one vote. Directors shall be elected to serve for a staggered term of three years. As many Directors shall be elected each year as are required to fill vacancies.

11.6 Term Limits; Directors. No Director shall serve for more than two consecutive three year terms. The filling of an unexpired term shall not be considered a full term for calculation of term limits.

11.7 Qualifications of Officers and Directors. The candidates for President, President Elect and First Vice-President must have served for a minimum of one year on the Association's Board of Directors. Each candidate for the position of Officer or Director must be a Member in good standing with the Association.

11.8 Election of Officers and Directors.

11.8.1 Nominating Committee. At least two months before each annual election, a nominating committee of five REALTOR® Members shall be appointed by the President, with the approval of the Board of Directors. The immediate past President, or his or her designee or appointee shall serve as Chair. The nominating committee shall select one candidate for each elective office. For the office of First Vice-President, the nominating committee shall nominate two candidates, if possible, who must have served on the Board of Directors within the previous five years. If two candidates cannot be nominated, then one candidate may run unopposed. The nominee for President shall automatically be the person holding the position of President Elect, unless that person chooses to withdraw as nominee. The nominating committee shall nominate a total of two candidates times the number of vacancies to be filled on the Board of Directors.

11.8.2 Report of Nominating Committee. The report of the nominating Committee shall be mailed or where permitted by state law, electronically transmitted to each REALTOR® Member at least seven days prior to the commencement of voting unless a written ballot notice is mailed.

11.8.3 Nomination by Petition. Additional candidates for the offices to be filled may be placed in nomination by a petition signed by at least five percent of the REALTOR® Members, in good standing with the Association, representing at least four different real estate offices. The petition shall be filed with the Chief Executive at least ten days prior to the election. The Chief Executive shall send notice of such additional nominations to all REALTOR® Members before the election.

11.9 Election; Voting in Person or Proxy. The election of Officers and Directors shall take place on the designated date at the Association's office at a time determined by the Board. Election shall be by ballot containing the names of all candidates and the offices for which they are nominated. REALTOR® Members may also deliver a proxy to the Association designating a REALTOR® Member to cast the Member's ballot at the election.

11.10 Calculation of Votes. The number of votes received by each of the candidates for positions to be filled on the Board of Directors shall determine which vacancy, if any, to be filled by each candidate. The number of votes each candidate receives shall correspondingly determine in descending order which vacancy, by the length of its term, shall be filled, i.e., the person receiving the most votes shall fill the vacancy having the longest term.

11.11 Election Committee. The President, with the approval of the Board of Directors, shall appoint an election committee of three REALTOR® Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.

11.12 Limitation of Representatives; Same Office. Excluding the appointed MLS Chair and the immediate past President, no more than four persons from the same REALTOR® firm shall serve concurrently as Directors or Officers of the Association and nominees shall be limited accordingly. Should an Officer or Director transfer to a firm where there are four Officers or Directors, the transferee shall resign from that position at the end of the calendar year.

11.13 Vacancies. Vacancies among the Officers and Board of Directors shall be filled by the Board of Directors until the next annual election.

11.14 Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

11.14.1 Petition. A petition requiring the removal of an Officer or Director either (a) signed by not less than one-third of the voting Membership or (b) two-thirds 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.

11.14.2 **Special Meeting.** Upon receipt of the petition, and not less than twenty days or more than forty-five days thereafter, a special meeting of the Board 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. Notice of the special meeting shall be given to all Officers and Directors at least ten days prior to the date of the meeting. The meeting shall be conducted by the President of the Board 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 Board. Provided a quorum is present, a three-fourths vote of the Directors present and voting shall be required for removal of an Officer or Director from office. At the meeting the Officer or Director named in the petition shall be given a reasonable opportunity to respond to the statements in the petition. The person conducting the meeting shall allow a reasonable period of time for a representative or representatives of the persons signing the petition to present the basis for the petition and removal of the Officer or Director from office.

11.14.2 **Reconsideration of Decision for Removal.** Upon written request of any Director who voted in favor of removal of an Officer or Director at the special meeting described in Section 11.14.2, delivered to the Chief Executive not later than thirty days following the special meeting, the Board shall convene and reconsider its decision at an additional special meeting. Such meeting shall be conducted in the manner described in Section 11.14.2.

Article 12 Meetings

12.1 **Annual Meeting.** The Association shall hold a meeting of the Members at least annually for the purpose of conducting the election of Officers and Directors and other Association business.

12.2 **Board of Directors Meetings.** The Board of Directors shall designate a regular time and place of meetings. Special meetings of the Board of Directors may be called by the President. Notice of any special meetings of the Board of Directors shall be given at least three days previously thereto by written notice delivered personally, or by email or by facsimile transmittal or mailed to each director at their business addresses. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. A special meeting notice shall be accompanied by a statement of the purpose of the meeting. A majority of the Board of Directors shall constitute a quorum. Absence from three regular meetings within a period of twelve months without an excuse deemed valid by the Board of Directors shall be deemed a resignation from the office held.

12.3 **Other Member Meetings.** Meetings of the Members may be held at such other times as the President or the Board of Directors may determine, or upon written request of at least ten percent of the REALTOR® Members.

12.4 **Notice of Membership Meetings.** Written notice shall be given to every Member entitled to participate in the meeting at least seven calendar days preceding such meetings. If a special meeting, it shall be accompanied by a statement of the purpose of the meeting.

12.5 Quorum of Association. A quorum is present throughout any meeting of the Association if REALTOR® Members, entitled to cast twelve and one half percent of the votes which may be cast, are present in person or by proxy, at the beginning of the meeting.

12.6 Electronic Notices; Transactions of Business. Any notice to an Officer, Director or other Members of the Association may be provided by e-mail, if agreed to by such Member, in written form. Thereafter, such Officer, Director or other Member shall be deemed to have waived any other form of notice. To the fullest extent permitted by law, the Board of Directors or Membership may conduct business by electronic means. Electronic notice may not be used for professional standards enforcement, including ethics proceedings and arbitration requests.

12.7 Action Without Meeting; Board. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the Chief Executive to be filed in the corporate records. The action taken shall be effective when all the Directors have approved the consent unless the consent specifies a different effective date.

Article 13 Committees of the Association

13.1 Standing Committees. The President shall appoint from among the REALTOR® Members, the Chairs of the Standing Committees. Such appointments shall be confirmed by the Board of Directors. Appointment of members of the Standing Committees to fill vacancies will be made by the Chair, except members of the MLS Committee shall be governed by the provisions of Section 19.6. Committee members may serve two year staggered terms of office for not more than two consecutive terms.

13.2 Special Committees. The President shall appoint other committees as deemed necessary to further the objectives of the Association or as the President may deem necessary. The President, at the President's sole discretion and without confirmation by the Board, may create and appoint task forces or Presidential advisory groups as the President deems necessary.

13.3 Organization. All committees shall be of such size and shall have such duties, functions and power as may be assigned to the Committee by the President, except as otherwise provided in these Bylaws.

13.4 Term Limits; Committee Chairs. No Chair of a Standing Committee shall serve for more than three consecutive one year terms. The filling of an unexpired term shall not be considered a full term for calculation of term limits.

13.5 President. The President shall be an ex officio member with voting privileges of all Standing Committees, except Nominating Committee and the Realtor® of the Year Committee and shall be notified of their meetings. The absence of the President at any meeting of a

Committee shall not affect establishment of a quorum. The presence of the President can be considered in establishing a quorum.

13.6 Executive Committee. The Board shall establish an Executive Committee, composed of the following: President, President-Elect, First Vice-President, Secretary-Treasurer and immediate past President. The function of the Executive Committee shall be to gather information on Association operations and assess and formulate proposed policy decisions to recommend to the Board, in the areas of resource management, personnel policy, fiscal policy, strategic planning, and the governing Bylaws and the Association's Rules and Regulations. The Board, by resolution, may delegate to the Executive Committee, authority to act on a particular matter.

13.7 Action Without Meeting. 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.

13.8 Attendance by Telephone. Members of a Committee may participate in any meeting through the use of a conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

Article 14 Fiscal and Election Year

The fiscal and election year of the Association shall be the calendar year. The terms of office shall commence on the first day of each calendar year.

Article 15 Conduct of Meetings; Rules of Order

15.1 Conduct of Association Meetings. The President shall preside over all meetings of the Association and the Secretary-Treasurer, or his or her designee, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The current edition of Robert's Rules of Order, latest edition, shall govern the conduct of all meetings of the Association when not in conflict with these Bylaws. The President may appoint a person to serve as parliamentarian or persons to tally certain votes.

15.2 Conduct of Board and Committee Meetings. The President in the case of meetings of the Board and the Chair of each Committee, in the case of Committee meetings, shall preside over all meetings and shall designate a member of the Board or Committee, his or her designee, to keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The current edition of Robert's Rules of Order, latest edition, shall govern the conduct of all meetings of a Board or Committee

when not in conflict with these Bylaws. Meetings addressing litigation, personnel matters and other matters the Board deems appropriate shall be held in Aexecutive@ session.

15.3 **Procedural Objections.** The failure of the Association, the Board, and Committees to comply with the procedures set forth in Robert's Rules of Order shall not invalidate any action taken that otherwise complies with the provisions of these Bylaws and law.

Article 16 Indemnification

16.1 **Right to Indemnification.** Subject to the provisions of the Nonprofit Corporation Act, the Association shall indemnify and hold any Director or Officer harmless for the reasonable expenses, costs, attorneys' fees, actually or reasonably incurred by the Director or Officer in connection with the Director's or Officer's involvement in any proceeding by reason of being or having been a Director or Officer. Any Director or Officer shall also be indemnified for those reasonable amounts paid to satisfy a judgment, fine, or penalty or to compromise or settle a claim. The indemnification provided shall be to the fullest extent authorized by the Nonprofit Corporation Act and shall inure to the benefit of the heirs and personal representatives of any Director or Officer.

16.2 **Advance Indemnification.** The Board shall permit indemnification and payment of reasonable expenses to be incurred by a Director or Officer for the defense of any proceeding, provided that the Director or Officer first enters into a written agreement with the Association to reimburse the Association if it is subsequently determined that the Director or Officer was not entitled to indemnification due to a subsequent adjudication of liability on the basis of willful misconduct or recklessness in the performance of the duties of the office as provided under the Nonprofit Corporation Act, NMSA 1978, § 53-8-26.

16.3 **Right to Bring Action to Enforce Indemnification.**

16.3.1 **Commencement of Action.** If a valid claim is not paid in full by the Association within ninety days after an itemized claim has been received by the Association, the claimant may thereafter, but only during a period not exceeding two years after tendering the itemized claim to the Association, bring an action against the Association to recover on any unpaid amount of the claim. The prevailing party in said action shall be entitled to collect the reasonable attorneys fees from the other party.

16.3.2 **Defenses.** In addition to the defense of full accord and satisfaction of any claim, it shall be a defense to any such action that the claimant has not complied with the standards of conduct permitting indemnification under the provisions of the Nonprofit Corporation Act. Any prior determination by the Association (including its Board, independent counsel, or its members) of the eligibility or ineligibility of claimant for indemnification due to the standards of conduct set forth in the Nonprofit Corporation Act shall not be a defense to the action or create any presumption as to the eligibility of claimant for indemnification.

16.4 **Non-Exclusivity.** The right to advance indemnification conferred in this Article 16 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Association's Articles of Incorporation, Bylaws, or any agreement, or vote of members or disinterested Directors.

16.5 **Insurance.** The Association may maintain insurance, at its expense, to protect itself and any Director or Officer, or any related corporation, trust or other incorporated or unincorporated enterprise against any such expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under the provisions of the Nonprofit Corporation Act.

16.6 **Indemnification of Others.** In accordance with the provisions of Section 53-8-26, NMSA 1978, the Association may, to a lesser extent or to the same extent that the Association is required to provide indemnification and make advances and reimbursements for expenses to its Directors and Officers, provide indemnification and make advances and reimbursements for expenses to its employees, agents, and any other person serving the Association in any capacity at the request of the Association, and, if authorized by a general or a specific action of the Board of Directors, may contract in advance to do so.

16.7 **Indemnification Plan.** The Board of Directors may from time to time adopt an Indemnification Plan implementing the rights granted in this Article 16. This Indemnification Plan shall set forth in detail the mechanics of how the indemnification rights provided in this Article 16 shall be exercised.

Article 17

Amendments to Bylaws and Articles

17.1 **Amendments; Effective Date.** Amendments to Bylaws and Amendments to Articles may be made by a majority vote of agreement of the Board duly cast at a meeting of the Board or by unanimous written consent. All Amendments to Bylaws and Amendments to Articles shall be effective twenty calendar days following approval thereof by the Board of Directors and notice setting forth the full text of the Amendments to Bylaws and Amendments to Articles to all REALTOR® Members, unless rejected by the REALTOR® Members as described in Section 17.2 below. Such notice shall be in the same form as notices for membership meetings as described in 12.4. All Amendments to Bylaws and Amendments to Articles shall be executed by two authorized officers of the Association. The provisions of this Section shall not apply to amendments made under the provisions of Section 17.3 below.

17.2 **Rejection by REALTOR® Members.** If, within twenty calendar days following notice of Amendments to Bylaws and Amendments to Articles to the REALTOR® Members, as provided in Section 17.1, the Amendments to Bylaws and Amendments to Articles is rejected by a vote of more than fifty percent of the total votes of the REALTOR® Members, cast at a meeting, in person or by proxy, such Amendments to Bylaws and Amendments to Articles shall not be effective. Such meeting shall require the presence of a quorum of twelve and one-half percent of the REALTOR® Members and be called for the purpose of rejecting the Amendments

to Bylaws and Amendments to Articles. The provisions of this Section 17.2 shall not apply to amendments described in Section 17.3 below.

17.3 NAR Mandatory Amendments. 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, or any other amendments that are required by NAR policy, shall become effective upon their approval by the Board of Directors of NAR. The Board shall incorporate the foregoing amendments as part of the Bylaws as soon as practicable following receipt of notice of such amendments from NAR. The provisions of Section 17.2 shall not apply to such amendments.

Article 18 Dissolution

Upon the dissolution of the Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to RANM or, within its discretion, to any other non-profit tax exempt organization.

Article 19 Multiple Listing Services

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

19.2 Purpose. A Multiple Listing Service is a means by which authorized MLS Participants make blanket unilateral offers of compensation to other MLS Participants acting either as subagents, buyer agents, or in other agency or nonagency capacities defined by law; by which cooperation among MLS Participants is enhanced; by which information is accumulated and disseminated to enable authorized MLS Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which MLS Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so MLS 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.

19.3 Eligible MLS Participants.

19.3.1 Any REALTOR® Member of this or any other REALTOR® Association who is a principal, partner, corporate officer, member or manager of a limited liability company or branch manager acting on behalf of a principal, without further qualification, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the MLS Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of Membership status, entitled to Multiple Listing Service Membership' or Participation unless they hold a current, valid real estate broker's license and

offer or accept compensation to and from other MLS Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.

19.3.2 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 MLS Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. 'Actively' means on a continual and ongoing basis during the operation of the MLS 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.

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

19.4 Use of MLS Information. Use of information developed by or published by the Association's Multiple Listing Service is strictly limited to the activities authorized under a MLS Participant's licenses or certification. Unauthorized uses are prohibited. Further, none of the foregoing is intended to convey AParticipation@, or AMembership@ or any right of access to information developed or published by the Association's Multiple Listing Service where access to such information is prohibited by law.

19.5 MLS Supervision. The activities shall be operated under the supervision of the Multiple Listing Committee in accordance with the MLS Rules and Regulations, subject to the approval of the Board of the Directors.

19.6 Appointment of MLS Committee; MLS Rules. The President shall appoint a Multiple Listing Committee consisting of at least seven REALTOR® Members and no more than fifteen members to serve staggered terms of two years. The President shall appoint one of the members as the Chair. Such appointments shall be confirmed by the Board of Directors. Except for the Chair, each member of the Committee may serve a maximum of two consecutive two year terms.

The filling of an unexpired term shall not be considered a full term for calculation of term limits. The Chair may serve the terms described in Section 13.4. Prior members can be reappointed to the Committee provided that the reappointed member has not served on the MLS Committee for at least a period of two years. All members of the Committee shall be MLS Participants in Multiple Listing Service. The MLS Committee is authorized to adopt MLS Rules for approval by the Board.

19.7 Vacancies. Vacancies in unexpired terms of the MLS Committee shall be filled in as the case of original appointees.

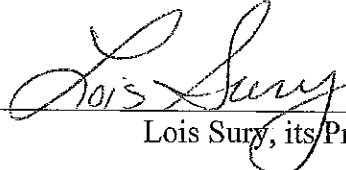
19.8 Attendance. Any MLS Committee member who fails to attend three successive regular or special meetings of the MLS Committee, without excuse acceptable to the Chair of the MLS Committee, shall be deemed to have resigned from the MLS Committee. Such vacancy shall be filled as herein provided for original appointments.

19.9 Subscribers. Subscribers or users of the MLS include non-principal brokers, associate brokers, and licensed and certified appraisers affiliated with MLS Participants. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking a license or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the MLS Participant's licensed designee.

Certificate

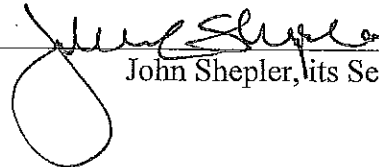
We, the undersigned President and Secretary-Treasurer of the Santa Fe Association of REALTORS®, a corporation organized and existing under the nonprofit corporation laws of the State of New Mexico, do hereby certify that the foregoing 2009 Amended and Restated Bylaws were duly approved by the membership of the Association at a meeting held on September 16, 2009, at which a quorum was present, and that the foregoing constitute the Bylaws of the corporation as amended by the Board to incorporate the mandatory amendments required by NAR pursuant to Section 17.3, effective April 15, 2010

Date: 4/15/2010



Lois Sury, its President

Date: 4/15/2010



John Shepler, its Secretary-Treasurer