

**Bylaws of the Los Alamos Association of REALTORS®**

Adopted June 25, 2009  
Amended by Board, with Mandatory NAR Revisions,  
Pursuant to Section 17.3  
Effective April 8, 2010  
Amended September 20, 2012  
Amended July, 2014

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## **Bylaws of the Los Alamos Association of REALTORS®, Inc.**

### **Article 1 Restatement and Replacement of Prior Bylaws**

1.1 **Repeal of Prior Bylaws; Effective Date.** These Amended and Restated Bylaws repeal the Amended and Restated By-Laws of the Los Alamos Association of REALTORS®, Inc., adopted on September 10, 1981 as amended on August 21, 1983, August 6, 1987, February 22, 1990, May 22, 1991, September 21, 1992, October 18, 1994, August 6, 1996, May 5, 1998, July 14, 1998, April 3, 2001, October 3, 2001, September 9, 2002, February 2004, July 12, 2005, January 10, 2006, October 17, 2006, September 20, 2007, June 25, 2009 and September 20, 2012.

1.2 **Purpose.** These Amended and Restated Bylaws provide for governance of Los Alamos 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 Los Alamos 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:** Los Alamos 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 Los Alamos Association of REALTORS®, Inc., as amended from time to time.
- 2.7 **Code of Ethics:** the Code of Ethics adopted by NAR, as amended from time to time.
- 2.8 **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
- 2.9 **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.
- 2.10 **Director:** a member of the Board elected as provided in Article 11.
- 2.11 **Membership Committee:** the committee established by the Board of the Association to review applications for Membership in the Association.
- 2.12 **Membership Governing Documents:** The Code of Ethics of the National Association of REALTORS®, the Constitution, the Articles, Bylaws, Rules and Regulations and the association, the State and National Associations.
- 2.13 **Members:** the members of the Association.
- 2.14 **Memberships:** the classes of memberships described in Article 4.
- 2.15 **NAR:** the National Association of REALTORS®.
- 2.16 **Officer:** an officer appointed or elected as provided in Article 11.
- 2.17 **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.
- 2.18 **Pending or Recent Bankruptcy Proceeding:** 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, corporate officer, members or managers of limited liability companies, or branch office 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.

2.19 **RANM:** the REALTORS® Association of New Mexico.

2.20 **REALTORS®:** REALTOR® Members

2.21 **REALTOR® Principal Member:** a Member described in Section 4.2.2.

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

2.23 **Executive Committee:** The officers of the board of directors including President, President Elect, Treasurer, and Secretary together with staff representative.

2.24 **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 Nominating Committee and the Executive Committee.

2.25 **Professional Standards and Grievance Committees:** Regional Professional Standards Committee and Grievance Committee cover our mandate for these committees and include members of this Association.

2.26 **Other Committees:** Any possible committees appointed by the President and affirmed by the Board, which may include a governmental affairs committee, education committee, public relations committee, risk management committee, MLS committee, website committee, audit committee, bylaws committee or any other committee that the President deems necessary. A Realtor of the Year Committee may also exist, but is not appointed by the President and is not governed by these bylaws.

### **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 Los Alamos County, New Mexico.

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 Los Alamos 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 REALTOR Members Other Than Principals.** Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers or 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.

**4.2.6 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 17 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.

**4.3 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.* (Amended 5/07)

5.2.1.3 The applicant shall agree to complete a course of instruction covering the Membership Governing Documents within the first two scheduled sessions after the Association's receipt of the provisional Member's application. 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:

(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 (for example, completion of a mandatory orientation program) within thirty 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 prorated amount to cover the number of days that the individual received association services and any application fee.

(c) 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.

(d) 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.

#### **5.3.1 Termination of Provisional Membership.**

5.3.1.1 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.

5.3.1.2 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 REALTOR® 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 REALTOR® 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 ten 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 principal in a firm, partnership, or corporation, or limited liability company, and is expelled or suspended, the firm, partnership, corporation or company which the Member is a principal shall not use the terms REALTOR® or REALTORS® in connection with the business during the period of suspension or until readmission as a REALTOR® Member or, unless connection with the firm, partnership, corporation, or company is severed, whichever may apply. The Membership of all other principals, partners, corporate officers or members or managers of limited liability companies or company members 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 6.7 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 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.** Designated REALTOR® Members of the Association shall certify to the Association during the month of January on a form provided by the Association, a complete listing of all individuals licensed or certified in the Designated REALTOR®'s office or offices and shall designate a primary board or association for each individual who holds Membership. 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 nonmember 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 or President Elect, 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 National Association of REALTORS® Code of Ethics and Arbitration Manual, as adopted and 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 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, 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.

#### **7.4 Cooperative Enforcement of the Code of Ethics**

The responsibility of the association and association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the association, 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, branch office manager or members or managers of limited liability companies 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, or branch office manager or members or managers of limited liability companies 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 as defined in (a) and (b) of this paragraph shall not be included in the computation of dues, if the Designated REALTOR® has paid dues based on said non-member licensees in another 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 limited liability company, or member 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 fifteenth 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.

10.13 **REALTOR Emeriti.** The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents and Past Treasurers 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 and Past Treasurers 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 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 to such individuals. It should be noted that this does not affect a Designated REALTOR® dues obligation to the Association with respect to those licensees employed by or affiliated with the Designated REALTOR® who are not Members of the Association.

## **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, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person. They shall be elected for terms of one year.

**11.2 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.

**11.3. Board of Directors.** The governing body of the association shall be a Board of Directors consisting of the elected officers, the immediate past president of the association, and three elected REALTOR® members of the association. Directors shall be elected to serve for terms of three (3) years, except that at organization, one-third of the elected directors shall be elected for terms of one (1), two (2), and three (3) years, respectively, or for lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many directors shall be elected each year as are required to fill vacancies.

#### **11.4 Election of Officers and Directors.**

**11.4.1 Nominating Committee.** At least two (2) months before the annual election, a Nominating Committee of five REALTOR® Members shall be appointed by the president with the approval of the Board of Directors. The Nominating Committee shall select at least one candidate for each office and at least one candidate for each place to be filled on the Board of Directors.

**11.4.2 Report of Nominating Committee.** The report of the Nominating Committee shall be mailed or delivered to each Member eligible to vote at least three (3) weeks preceding the election.

**11.4.3 Nomination by Petition.** Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 10% of the REALTOR® Members eligible to vote. The petition shall be filed with the Secretary at least two (2) weeks before the election. The



Secretary shall send notice of such additional nominations to all Members eligible to vote before the election.

**11.5 Election; Voting in Person.** The election of Officers and Directors shall take place at the annual meeting. Election shall be by ballot and all votes shall be cast in person. The ballot shall contain the names of all candidates and the offices for which they are nominated.

**11.6 Limitation of Representatives; Same Firm.** No more than four 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.

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

**11.8 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:

**11.8.1 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.

**11.8.2 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.

**11.8.3 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 11.8.2 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 11.8.2.

## **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.

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 one week 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 for the transaction of business shall consist of 25 % of the Members eligible to vote

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 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 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 members of the Standing Committees (including Chair). Such appointments shall be confirmed by the Board of Directors. Appointments to the Professional Standards Committee and Grievance Committee shall be consistent with the Cooperative Professional Standards Enforcement Agreement.

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 REALTOR of Year Committee (unless the President is a past recipient) 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 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.

**13.7 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 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. Meetings addressing litigation, personnel matters and other matters the Board deems appropriate shall be held in executive 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 attorney's 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.** These Bylaws may be amended by a majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

**17.2 Notice of Meetings.** Notice of all meetings at which amendments are to be considered shall be mailed or delivered to every member eligible to vote at least seven calendar days prior to the meeting.

**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 17.1 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.