

2012 Constitution and Bylaws

of the

*** NATIONAL ASSOCIATION OF REALTORS®**

Incorporating Amendments and Interpretations
effective on or before November 14, 2011.

The Constitution and Bylaws were adopted at San Francisco, California, May 31, 1922. Since that adoption they have from time to time been revised; their last revision having been made at the Annual Convention in Anaheim, California, on November 14, 2010.

* Formerly National Association of Real Estate Boards. Name change authorized at National Convention, Honolulu, Hawaii, November 15, 1972.

NATIONAL ASSOCIATION OF REALTORS®
430 North Michigan Avenue
Chicago, Illinois 60611-4087

REALTOR® is a registered collective membership mark which identifies real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® and subscribe to its strict Code of Ethics.

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2012 Constitution and Bylaws

of the
NATIONAL ASSOCIATION OF REALTORS®

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CONSTITUTION

ARTICLE I

NAME

The name of the organization shall be NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE II

OBJECTS

The objects of the National Association shall be:

SECTION 1. To provide a facility for education, research and exchange of information for those engaged in the recognized branches of the real estate business, including brokerage, management, mortgage financing, appraising, counseling, land development and building, and education and research in real estate, in the United States of America, its insular possessions and the Commonwealth of Puerto Rico, for the purpose of raising the standards of real estate practice and preserving the right of property ownership in the interest of the public welfare;

SECTION 2. To promote and maintain high standards of conduct in the transaction of the real estate business;

SECTION 3. To formulate and promulgate a Code of Ethics for the members of the National Association;

SECTION 4. To license its members the right to display the emblem seal of the National Association and the right to use the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® which terms are hereby defined as designating a person or persons engaged in the real estate business who is a Board Member or Individual Member of the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 5. To inform the public of the advantages of transacting business with REALTORS®, and to encourage the use by Members of the term REALTOR® and the emblem seal.

ARTICLE III

MEMBERSHIP

SECTION 1.

(A) The Members of the National Association shall consist of seven classes: (1) Member Boards, (2) Board Members, (3) Individual Members, (4) National Affiliate Members, (5) International Members, (6) Affiliated Institutes, Societies and Councils, and (7) Distinguished Service Award Recipients.

(B) Member Boards shall consist of (1) local real estate boards or associations or Boards or Associations of REALTORS® (hereinafter referred to as local Boards), which shall include city, county, inter-county or inter-state Boards, and also (2) state associations as provided in Section 5 of this Article, all of the REALTOR® Members and REALTOR-ASSOCIATE® Members of which shall hold membership in the National Association through such local board, or state association, as the case may be.

(C) Board Members shall be either REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate Members in good standing.

1. REALTOR® Members shall be:

(a) principals of real estate firms, or individuals in position of management control on behalf of principals who are not physically present and engaged in the real estate business in connection with the firm's office or individuals employed by or affiliated as independent contractors with REALTOR® principals of real estate firms, and who are deemed qualified for REALTOR® membership by: (a) a local Board within the state in which the real estate firm is located; or (b) a local Board within a state whose border is contiguous with that state; or (c) if the real estate firm is located outside the jurisdiction of any local board, by the state association within whose territory the real estate firm is located having an effective membership agreement with the National Association as provided in Article XV, Section 2. Each sole proprietor, partner or corporate officer of the real estate firm who is actively engaged in the real estate business within the state where applying for membership or within the

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state in which the real estate firm is located shall be required to become a REALTOR® member if any other principal of such firm, partnership or corporation is a REALTOR® Member with those states, provided, however, in the case of a real estate firm, partnership or corporation whose business activity is substantially all commercial, each sole proprietor, partner, corporate officer actively engaged in the real estate business in connection with the same office or any other offices within the jurisdiction of the local board in which one of the firm's principals holds REALTOR® membership shall also be required to become a REALTOR®.

(b) corporate officers of a national real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, the principal broker of not less than one hundred and fifty of which are REALTOR® Members of a Member Board of the National Association. Up to three (3) of the real estate brokerage franchise organization's corporate officers may hold REALTOR® Membership pursuant to this provision of the Constitution, provided however, that at least one of the three must be the Chief Executive Officer or Principal Operating Officer of the real estate brokerage franchise organization.

Each corporate officer making application to hold membership in the National Association pursuant to this provision of the Constitution shall designate for the National Association a local board located within the state in which the corporate officer's principal place of business is located which shall be considered that corporate officer's primary Board and the corporate officer shall pay dues, initiation and processing fees to that local Board in the same manner and in the same amount as are paid to that local Board by all other REALTOR® Members of that local Board. Upon approval of the corporate officer's application for membership by the Board of Directors of the National Association, the National Association shall notify the primary Board identified by the corporate officer of the name and address of the corporate officer to which the local Board shall direct statements for dues, initiation or other processing fees normally assessed to the local Board's REALTOR® Members and such other correspondence or information as the local board sends to its REALTOR® Members. Upon payment of initial dues and any applicable initiation and processing fees, the applicant shall be a member of that local Board, the state association within whose

jurisdiction that local Board is located and the National Association.

2. REALTOR-ASSOCIATE® Members shall be those independent contractors and salesmen who are affiliated with or employed by a REALTOR® Member or a firm, partnership, or corporation of which any REALTOR® Member is a sole proprietor, partner or officer, who are actively engaged in the real estate business and who are deemed qualified for REALTOR-ASSOCIATE® membership by a local board within the state in which the independent contractor or salesman is actively engaged in the real estate business or within a state whose border is contiguous with that state, or if the real estate firm is located outside the jurisdiction of any local board, by the state association within whose territory the independent contractor or salesman is actively engaged in the real estate business having an effective membership agreement with the National Association as provided in Article XV, Section 2.

3. Individuals who are employed by or affiliated as independent contractors with the REALTOR® principals of a real estate firm shall be eligible to be considered for primary membership as REALTORS® or REALTOR-ASSOCIATE®s only in those member boards in which a principal of the real estate firm or an individual in a position of management control on behalf of a principal who is not physically present and engaged in the real estate business in connection with the firm's real estate office holds REALTOR® membership.

4. (a) Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such membership.

(b) Local boards will establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the rights to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to serve as President of the local board; or to be a Participant in the local board's multiple listing service.

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(c) Institute Affiliate Member dues shall be as established in Article II of the National Association's Bylaws. Member Boards may not establish any additional entrance, initiation fees or dues for Institute Affiliate members, but may provide service packages to which Institute Affiliate members may voluntarily subscribe.

5. As used herein:

(a) the term "real estate business" shall include real estate brokerage, management, appraising, land development or building.

(b) the term "primary membership" shall refer to an individual's membership in a member board which includes that individual in its calculation of dues paid to the National Association as provided for in Article II, Section 1 of the National Association's Bylaws. The individual shall be a "primary member" of that member board.

(D) Individual Members shall be persons who are elected to membership under the provisions of Section 7 of this Article.

(E) International Members shall be persons who are elected to membership under the provisions of Section 8 of this Article.

(F) Affiliated Institutes, Societies and Councils shall be those formed by the National Association pursuant to Article XIII, Section 1 of this Constitution

(G) In addition, those persons who are currently employed in an executive, administrative or management capacity by a Member Board of the National Association, or by an Institute, Society or Council of the National Association, shall be eligible for Individual Membership without payment of dues and shall be entitled to all rights and privileges of Individual Membership except the right to use the term REALTOR®.

SECTION 2.

(A) Only one local board in any municipality shall be elected a Member Board of the National Association, except as provided in Sections 3 and 4 of this Article, or otherwise approved by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

(B) A local board may accept for primary membership individuals whose principal place of business is situated within the territory of the state in which the local board's jurisdiction is located or any

state contiguous to that state, provided however, that individuals who are employed by or affiliated as independent contractors with the REALTOR® principals of a real estate firm shall be eligible to be considered for primary membership as REALTORS® or REALTOR-ASSOCIATE®s only in those local boards in which a principal of the real estate firm or an individual in a position of management control on behalf of a principal who is not physically present and engaged in the real estate business in connection with the firm's real estate office holds REALTOR® membership. A local board may accept for secondary membership any REALTOR® or REALTOR-ASSOCIATE® who holds primary membership in another member board. An individual holding secondary membership in a local board is not required to hold secondary membership in the state association in which the local board holds membership.

SECTION 3. If territory is annexed by a municipality in which there is a local board which is a Member Board, such annexation shall not automatically enlarge the jurisdiction of such board if the enlargement would infringe upon the jurisdiction of another such local board; however, the Board of Directors may, in its discretion, provide for the retention or modification of the respective jurisdictions of such boards, in the absence of an agreement between them.

SECTION 4. The Board of Directors may, at its discretion, approve the establishment of Commercial Boards of REALTORS®. The rights and responsibilities of the Boards shall be set forth in this Constitution and the Bylaws of the National Association and in accordance with policies approved by the Board of Directors and as amended from time to time.

SECTION 5.

(A) State Associations having membership agreements with the National Association as provided in Article XV, Section 2, of this Constitution may be elected to membership in the National Association in order to integrate more closely the work of local, state and national bodies, to further the purposes contemplated by said Article, and to afford an opportunity for individuals engaged in the real estate business in areas within the state but outside the jurisdiction of a local board to become members of the National Association, subject to its standards, and to be represented therein.

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(B) Such state associations shall be elected to membership only upon the following conditions:

1. Only one state association shall be elected from a given state;
2. Such state association so elected may accept for primary membership individuals whose principal place of business is situated in territory within the state which is not within the jurisdiction of any local board holding membership in both such state association and the National Association and for secondary membership any REALTOR® or REALTOR-ASSOCIATE® who holds primary membership in another state association or a local board whose jurisdiction is located in territory outside of the state;
3. Such state association so electing individuals agrees to be responsible for the enforcement of the Code of Ethics of the National Association with respect to such individuals;
4. Such state association shall have the same right to control the use of the terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE® in its territory as any local board has within its jurisdiction;
5. Such state association electing individuals to membership agrees to pay dues for them in the same manner as a local board pays dues for its REALTOR® Members and REALTOR-ASSOCIATE® Members.
6. Whenever the term "Member Board" is used in this Constitution and Bylaws, it shall be held to include state associations elected under the terms of this section.

(C) Any state association so elected shall be entitled to one vote as such and to an additional vote for each of its Board Members upon the same basis as local boards for their Board Members under the provisions of Article IX of this Constitution.

SECTION 6. All Member Boards must comply with the minimum service criteria established by the Board of Directors.

Any Member Board that fails to satisfy the minimum service criteria may, after due notice and opportunity for hearing, be expelled by the Board of Directors from membership in the National Association.

Each State Association shall enforce the minimum service criteria for local Boards and Associations within the state. Any State Association which fails to enforce the minimum service criteria may, after due notice and opportunity for hearing, be expelled by the Board of Directors from membership in the National Association.

SECTION 7. In areas of states where there is no state association having a membership agreement with the National Association, as provided in Section 5 of this Article, and where there is no Member Board, or which areas have not been designated as within the territorial jurisdiction of any Member Board, the Board of Directors may elect any individual engaged in the real estate business as a principal, partner or officer of a corporation as an individual Member. In the case of each application, the nearest Member Board shall be consulted. The rights, privileges and obligations of such Individual Members shall be the same as those of REALTOR® Members, each such Individual Member being a delegate to any meeting of the members of the National Association and entitled to one vote; but in the event of subsequent admission to membership of a local board or state association as a Member Board, such Individual Member shall thereafter be entitled to membership only by virtue of membership in such Member Board.

SECTION 8.

(A) International Affiliate Organizations shall be organizations in the real estate field outside of the United States, its insular possessions, and the commonwealth of Puerto Rico, with which the National Association enters into International Affiliate Agreements that provide for exchange representation and other mutual benefits, and for the adoption and enforcement by the International Affiliate Organization of a Code of Ethics approved by the National Association.

(B) In any country where the National Association has entered into an International Affiliate Agreement with a real estate organization, only those persons engaged in the real estate business in that country who have obtained membership in such Organization shall be eligible for International REALTOR® Membership in the National Association. Such International REALTOR® members may be licensed to use the term REALTOR® and other marks, but may not vote or hold office in the National Association.

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(C) Persons engaged in the real estate business in any country where the National Association has not entered into an International Affiliate Agreement with a real estate organization in said country, or persons who are not eligible for membership in an International Affiliate Organization in any country where the National Association has an agreement with such an organization, shall be eligible for International Subscriber membership in the National Association. Such International Subscriber members may neither be licensed to use the term REALTOR® or other marks, nor vote or hold office in the National Association.

SECTION 9. Individuals who have received the Distinguished Service Award shall be life members of the National Association and shall not pay National Convention registration fees.

SECTION 10. A REALTOR® Member who has held membership in the National Association as a REALTOR®, REALTOR-ASSOCIATE®, or both, for a cumulative period of forty (40) years, upon certification by the Board of Directors shall be designated "REALTOR® EMERITUS." An individual who has been affiliated with a firm comprised of REALTOR® members for forty (40) years or more, but who was ineligible for REALTOR® or REALTOR-ASSOCIATE® membership for any portion of that time on the basis of sex, national origin, marital status or other basis now prohibited by the Bylaws of the National Association shall be eligible for REALTOR® Emeritus status.

SECTION 11. Individuals employed by the national or regional organizational headquarters of a corporation engaged in real estate activities or activities allied with real estate and who may be licensed or unlicensed may be elected to National Affiliate Membership in the National Association, provided the individual does not personally provide real estate services to persons or entities other than the employing company. National Affiliate Members shall have such privileges, duties, and rights of membership, and shall pay such dues as determined by the Board of Directors, but shall not be entitled to vote, hold office or use the terms REALTOR® or REALTOR-ASSOCIATE®. National Affiliate Members shall be entitled to hold membership in the Institutes, Societies and Councils of the National Association, but if they desire to apply for or maintain a designation available through an Institute, Society or Council, they must hold a form of membership in the local board. If

membership is not available in the local Board, the individual must hold membership in the State Association. If membership is not available through the State Association, the individual may apply for or maintain a designation from an Institute, Society or Council based on National Affiliate Membership.

SECTION 12. REALTOR® Members holding membership pursuant to Section 1(C) 1.(b) of this Constitution shall be Board Members of the local Board designated by them pursuant to that section of the Constitution and of the state association within whose jurisdiction that local Board is located and shall enjoy all of the rights, privileges and obligations, including compliance with the Code of Ethics, of other REALTOR® Members of that state association and local Board except: obligations related to mandatory education, meeting attendance, or indoctrination classes or similar requirements; the right to use the term REALTOR® in connection with their franchise firm's name; and the right to hold elective office in the local Board or state association.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. The government of the National Association shall be vested in a Board of Directors composed of the following ex officio Directors:

(A) The President, President-Elect, First Vice President and Treasurer of the National Association. Any person, having been duly elected as an officer of the National Association, and who, as a consequence thereof, is an ex officio member of the Board of Directors and/or the Executive Committee, shall continue to serve as a member of the Board of Directors and/or the Executive Committee for the balance of the then current elective year in the event the office to which they had been elected is eliminated.

(B) Up to twenty-four (24) members of the Executive Committee who are not already members of the Board of Directors selected by the incoming President provided that such member of the Executive Committee has not resigned a Directorship, the term of which would have coincided in whole or in part with his term appointment to the Board of Directors;

(C) The Presidents of the Institutes, Societies and Councils of the National Association;

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(D) The former Presidents of the National Association who continue to be affiliated with their respective local boards and active in the National Association;

(E) The Presidents of state associations and of the Washington (D.C.) Association of REALTORS®, the Guam Board of REALTORS®, the Puerto Rico Association of REALTORS®, and the Virgin Islands Territorial Association of REALTORS®;

(F) The Presidents of the International Affiliate Organizations, or their designees, if so provided by reciprocal agreement;

(G) The Vice President and Liaison to Committees who is not a Director at Large or otherwise a Director ex officio, provided the Vice President and Liaison to Committees has not resigned a Directorship the term of which would have coincided in whole or in part with the term as the Vice President and Liaison to Committees;

(H) The Vice President and Liaison to Government Affairs who is not a Director at Large or otherwise a Director ex officio, provided the Vice President and Liaison to Government Affairs has not resigned a Directorship the term of which would have coincided in whole or in part with the term as the Vice President and Liaison to Government Affairs;

(I) The Regional Vice Presidents of the National Association;

(J) The Political Fundraising Chair who is not a Director at Large or otherwise a Director ex officio, provided the Political Fundraising Chair has not resigned a Directorship the term of which would have coincided in whole or in part with the term as the Political Fundraising Chair;

(K) The Member Mobilization Chair who is not a Director at Large or otherwise a Director ex officio, provided the Member Mobilization Chair has not resigned a Directorship the term of which would have coincided in whole or in part with the term as the Member Mobilization Chair;

(L) A REALTOR® or REALTOR-ASSOCIATE® who also holds membership in the National Association of Real Estate Brokers, as recommended by the President of that Association and to be appointed by the incoming President of the NATIONAL ASSOCIATION OF REALTORS®.

(M) Four Association Executives consisting of two from local associations, one from a state association, and one from a regional multiple listing service, selected by the incoming President;

(N) Up to two (2) REALTORS® or REALTOR-ASSOCIATE®s who are members of a commercial overlay board selected by the incoming President;

(O) Up to three (3) REALTORS® or REALTOR-ASSOCIATE®s appointed by the incoming President to represent specialties within the real estate business;

(P) Up to ten (10) representatives of organizations not affiliated with the National Association selected by the President and approved by the Leadership Team. Representatives may be selected and approved at any time during an elective year and shall serve for the balance of that elective year;

(Q) The Chairman of each of the Board and State Forums who is not a Director at Large or otherwise a Director ex officio, provided such Chairman has not resigned a Directorship the term of which would have coincided in whole or in part with the term of his chairmanship, provided that if there are more than ten (10) State and Board Forum Chairmen the incoming President shall designate from among the Chairmen up to ten (10) to serve as Directors;

(R) Each Committee Liaison who is not a Director at Large or otherwise a Director ex officio, provided such Committee Liaison has not resigned a Directorship the term of which would have coincided in whole or in part with the term as a Committee Liaison, provided that if there are more than seven (7) Committee Liaisons the incoming President shall designate from among the Committee Liaisons up to seven (7) to serve as Directors;

(S) Recipients of the Distinguished Service Award who continue to be affiliated with their respective local board shall serve as Directors;

(T) Each local board within the fifty states, the District of Columbia, Guam, Puerto Rico or the Virgin Islands with a membership of 2000 or more shall be entitled to a number of Directors determined by dividing the membership of the local board by the number 2000 and rounding any resultant fraction to the next lower whole number. Each local board entitled to Directors pursuant to this subparagraph shall notify the National Association of the names of the REALTORS® and REALTOR-ASSOCIATE®s designated to serve as Directors during the next elective year prior to October 1st.

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(U) Each of the fifty states and the District of Columbia, Guam, Puerto Rico and the Virgin Islands ("state associations") shall be entitled to two Directors plus an additional number of Directors determined by subtracting the number 4000 from the membership within the state association, dividing any remainder greater than zero by the number 2000 and rounding any resultant fraction to the next lower whole number, provided, however, the number of additional Directors to which the state association is entitled shall be reduced by the number of Directors allocated to local boards within the same state association under subparagraph (T) hereof. In the case of a local board with assigned territorial jurisdictions within two or more state associations, the number of additional Directors to which a state association is entitled shall be reduced by a number equal to the number of Directors the local board would be entitled to under subparagraph (T) hereof based upon the number of primary members of the local board who also hold primary membership in the state association. Each state association entitled to Directors pursuant to this subparagraph shall notify the National Association of the names of the REALTORS® and REALTOR-ASSOCIATE®s designated to serve as Directors during the next elective year prior to October 1st.

(V) Each national real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, the principal broker of not less than one hundred fifty of which are REALTOR® members of a Member Board of the National Association shall designate one Director who must be a principal, partner or corporate officer of the national real estate brokerage franchise organization and hold REALTOR® or REALTOR-ASSOCIATE® membership in a Member Board of the National Association.

(W) Each of the seventy -five (75) largest firms, partnerships or corporations in the real estate business and doing business within the geographic areas described in Paragraph 1(T) hereof shall designate one Director who must be a principal, partner or corporate officer of the firm, partnership or corporation and hold REALTOR® or REALTOR-ASSOCIATE® membership in a Member Board of the National Association. The largest real estate firms, partnerships, or corporations shall be identified by determining those with the greatest number of REALTORS® and REALTOR-ASSOCIATE®s employed by or affiliated with a principal, partner,

corporate officer or branch office manager of the firm, partnership or corporation. In making the determination of the largest firms, partnerships or corporations, all real estate businesses operating under common control, regardless of their business structure, shall be considered a single firm, partnership or corporation.

(X) "Membership" as used in this Section shall mean in the records of the National Association the combined number of REALTOR® and REALTOR-ASSOCIATE® members holding primary membership in a Member Board within the geographic area as of the July 31st of the year of the election.

(Y) All ex officio Directors shall serve terms of one year or until their successors are selected except those designated by the states pursuant to subparagraph (U) hereof, who shall serve for terms of three years or until their successors are selected.

SECTION 2. In order to maintain a balance in the expiration of the terms of Directors under Section 1(U) hereof, the state association may designate one or more such Directors serve for terms of less than three years.

SECTION 3. One-third of the whole Board of Directors shall constitute a quorum.

SECTION 4. There shall be two regular meetings of the Board of Directors in each year at a time and place fixed by the Board of Directors. Special meetings may be called by the President or by twenty-five members of the Board of Directors representing at least five states or the District of Columbia, upon due notice in writing given to each Director. Directors may unite in a petition to call such meeting or individually address written requests to the National Association. Upon receipt of such petition or written requests from the required Directors, the President shall notify each Director, in writing, of such meeting, fixing the time and place thereof not less than ten nor more than thirty days from the date of said notice.

SECTION 5. Any Director, except the former Presidents of the National Association, who shall be absent from two consecutive regular meetings of the Board of Directors shall automatically forfeit his office unless the Board of Directors, upon receipt of a written explanation for such absence satisfactory to it, shall waive this provision.

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SECTION 6. The Board of Directors and the Officers shall from time to time seek the opinions and advice of Member Boards on matters of national import in such manner as may be convenient and shall consider such information in their deliberations.

ARTICLE V

EXECUTIVE COMMITTEE

SECTION 1.

(A) There shall be an Executive Committee consisting of the President; the President-Elect; the First Vice President; the Treasurer; the Regional Vice Presidents; the immediate Past President; the Past President twice-removed; the Vice President and Liaison to Committees; the Vice President and Liaison to Government Affairs; four other Past Presidents; twelve members who have not served as President; two members from the Real Estate Services Advisory Board; one Member Board Executive Officer; and one appointee of each of the Institutes, Societies and Councils of the National Association. The Political Fundraising Chairman and the Member Mobilization Chairman shall also serve as non-voting members of the Executive Committee.

(B) The President shall appoint, each year, two Past Presidents to serve two year terms, to succeed those whose terms expire.

(C) At the meeting of the Board of Directors during the National Convention, the President-elect shall submit to the Board of Directors six nominees, at least four of whom are Directors, one of whom may be a member who has previously served as a Director, and one of whom may be a member who has not previously served as a Director, to serve as members of the Executive Committee. The Board of Directors shall elect members of the Executive Committee from such nominations. Directors shall be elected to the Executive Committee for terms of two years to commence on the day following the official closing of the National Convention at which they are elected, six being elected each year to succeed the Directors whose terms expire. Directors so elected shall continue in office until their successors are elected and qualified. If a vacancy occurs before expiration of a term, the President shall submit to the Board of Directors the nomination of a Director to fill the unexpired term.

(D) The President shall appoint, each year, a member from the Real Estate Services Advisory Board

established by the Board of Directors to serve a two year term, to succeed the member whose term is expiring.

(E) The President shall appoint, each year, a Member Board Executive Officer to serve a one year term, to succeed the one whose term expires.

(F) Each Institute, Society and Council shall designate one of its members in good standing, who is not an employee, to serve a two year term, to succeed those whose terms expire.

SECTION 2. The Executive Committee shall conduct the affairs of the National Association in accordance with the policies and instruction of the Board of Directors. The Executive Committee shall meet on the call of the President, the Board of Directors or any eleven of its members. The President shall act as Chairman of the Executive Committee. Seventeen members shall constitute a quorum.

SECTION 3. A Member who has served as a member of the Executive Committee for terms aggregating twenty (20) years shall be a member of the Executive Committee for life unless sooner terminated by resignation from the Committee or the National Association.

ARTICLE VI

ADVISORY BOARD

SECTION 1. There shall be an Advisory Board composed of all former Presidents of the National Association who continue to be affiliated with their local boards.

SECTION 2. The Advisory Board shall act in an advisory capacity to the Officers and Directors of the National Association.

SECTION 3. The Chairman shall be the second immediate Past President who is able to serve.

ARTICLE VII

OFFICERS, ELECTIVE AND APPOINTIVE - POWERS AND DUTIES

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SECTION 1. The elective Officers of the National Association shall be a President, a President-Elect, a First Vice President, a Vice President from each of the Regions created by the Board of Directors, a Treasurer, and a corporate Secretary, all of whom shall serve for one year or until their successors are elected and assume office. The President shall not be eligible for a second or subsequent election.

SECTION 2.

(A) The President shall be the chief elected officer of the National Association and shall preside at its meetings and those of the Board of Directors and Executive Committee, between the sessions of which he shall represent the Association and act in its name, subject only to its declared policies. He shall appoint all committees unless otherwise directed by the Board of Directors, shall be an ex officio member of all committees, and shall perform all other duties usual to such office.

(B) The President-Elect shall perform the duties of the President in the event of his absence or disability and shall have such other powers and duties as may be prescribed by the Board of Directors, the Executive Committee or the President. The President-Elect shall succeed to the office of the President. If the office of the President should become vacant between elections, the President-Elect shall fill the vacancy and complete the unexpired term. The office of President-elect shall remain vacant for the remainder of that unexpired term. The President-Elect who fills a vacancy in the office of the President shall automatically become President for a full term after completion of the unexpired term.

(C) The First Vice President shall have such powers and duties as may be prescribed by the Board of Directors, the Executive Committee or the President. If the office of President-Elect shall become vacant between elections other than as a result of the President-elect filling a vacancy in the office of President, the First Vice President shall fill the vacancy in the office of President-elect and complete the unexpired term. The First Vice President who fills a vacancy in the office of President-Elect shall automatically become President for a full term after completion of the unexpired term.

(D) In the event of the death or disability of the President and the inability or incapacity of the President-Elect to succeed to such office pursuant to this section, the office of President shall be filled

until the next National Convention by a person appointed by the Executive Committee.

SECTION 3.

(A) The Regional Vice Presidents shall oversee the work of the National Association in their respective Regions and act as the representative of the President in such matters as may be assigned to them.

(B) In case of a vacancy in the office of any Regional Vice President, it shall be filled by appointment by the President and confirmation by the Board of Directors for the unexpired term. Such appointee shall be from the Region in which the vacancy occurs.

(C) Vacancies not otherwise provided among the Officers or in the Board of Directors shall be filled by the Board of Directors until the next annual election.

SECTION 4. The Treasurer shall oversee the administration of the financial affairs of the National Association and shall serve as the Chair of the Finance Committee. The Treasurer shall present the National Association's annual budget to the Board of Directors for its approval and shall provide periodic reports to the Board of Directors on the financial condition of the National Association.

The Treasurer, or the Comptroller when so designated by the Treasurer, shall be the custodian of the funds and securities, and the collecting and disbursing officer of the National Association subject to the policies established by the Board of Directors. The Comptroller shall deposit the funds and securities in such depositories and in such manner as the Board of Directors may designate and direct.

SECTION 5. The Secretary shall keep the records and seal of the National Association and performs such other duties as are customary to the office, including acting as Secretary for the Board of Directors and Executive Committee.

SECTION 6. The Board of Directors shall retain a General Counsel who shall perform the duties usual to such office.

SECTION 7. The Chief Executive Officer shall designate a member of the staff who, subject to the approval of the Executive Committee, shall serve as Comptroller and who shall be a Certified Public Accountant and conduct such functions as are usual to the business.

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The National Association shall secure a bond in a surety company qualified to do business in the State of Illinois or an insurance policy in such amounts as shall be prescribed by the Board of Directors, covering the activities of the Treasurer and Comptroller in administering the financial operations of the National Association.

SECTION 8. There shall be a Chief Executive Officer who shall be appointed by the Board of Directors. The Chief Executive Officer shall be subject to the President and shall serve as the head of the staff, charged with its selection subject to the approval of the Executive Committee. The Chief Executive Officer shall have supervision of the entire staff and shall perform such other duties as may be delegated to him by the Board of Directors, the Executive Committee or the President, and all other duties usual to such office.

The Chief Executive Officer shall provide a bond in a surety company qualified to do business in the State of Illinois or such other state as the headquarters of the National Association may be located, and of such amount as may be determined by the Board of Directors. The cost of such bond shall be paid by the National Association.

SECTION 9. The Chief Executive Officer shall serve as Secretary of the Association, ex officio.

SECTION 10. The Board of Directors may appoint an Administrative Secretary to perform the duties usual to that office and such other duties as may be assigned to him by the Board of Directors, the Executive Committee, the President, or the Chief Executive Officer.

SECTION 11. Any Administrative Secretary may be elected Assistant Secretary by the Board of Directors.

ARTICLE VIII

FINANCE AND PROFESSIONAL STANDARDS COMMITTEES - ANNUAL AUDIT - APPOINTMENT OF OTHER COMMITTEES

SECTION 1. There shall be a Finance Committee consisting of the Treasurer, who shall be

the Chairman, one State Association Executive Officer and one Local Board Executive Officer appointed by the President to serve two year terms, the Vice-Chair of the Reserves Investment Subcommittee of the Finance Committee and the immediate Past Treasurer to serve one year terms, and twelve other members at least eight of whom were Directors when elected and no more than four of whom were not Directors when elected but have served previously as Directors. Members other than the Executive Officers, the Vice Chair of the Reserves Investment Subcommittee and the immediate Past Treasurer shall be elected to the Finance Committee for staggered terms of three years to commence on the day following the official closing of the National Convention at which they are elected, four being elected in each year to succeed those whose terms expire. Members so elected shall continue to serve until their successors are elected. At the meeting of the Board of Directors during the National Convention, the President-elect shall submit to the Board of Directors four or more nominations, not more than one of whom is not currently a Director but has served previously as a Director. The Board of Directors shall elect from such nominations sufficient members to fill existing vacancies. If any member of the Finance Committee fails to attend two consecutive meetings, his membership on the Finance Committee may terminate and his position may be deemed vacant at the discretion of the President. If a vacancy of an elected member occurs before the expiration of a term, the President shall submit to the Board of Directors for approval the nomination of a member to fill the unexpired term. Such member shall be a Director, or if not currently a Director, has previously served as a Director. If a vacancy of an Executive Officer member occurs before the expiration of the term, the President shall appoint an Executive Officer from a local board or state association to correspond with the vacant position to fill the unexpired term.

The Finance Committee shall prepare the annual budget for the ensuing fiscal year and submit it to the Executive Committee and Board of Directors for its approval or modification.

SECTION 2. The accounts of the National Association shall be audited annually as of the close of the fiscal year by a Certified Public Account designated by the Board of Directors. There shall be such interim and preaudit reviews and analyses of the accounts as may be directed by the Board of Directors or the Executive Committee.

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SECTION 3. There shall be a Professional Standards Committee. It shall be the duty of this Committee to interpret the Code of Ethics, to consider and recommend appropriate action on inquiries of Member Boards and Board Members concerning enforcement thereof, and to recommend amendments thereto as it deems necessary or advisable.

SECTION 4.

(A) There shall be an Institute Advisory Committee, which shall consist of the President, President-Elect and Executive Vice President of each Institute, Society or Council and the President, President-Elect, First Vice President and Chief Executive Officer of the National Association. A member of the National Association's Leadership Team appointed by the President shall serve as the Chairman and be an ex-officio member of the Committee during the term as Chairman. The Executive Vice Presidents and the Chief Executive Officer of the National Association shall serve without a vote.

(B) The Committee shall consider matters relating to the conduct of the Institutes, Societies and Councils, their relationship with one another and with the National Association and shall report to only the Executive Committee.

SECTION 5. There shall be a Distinguished Service Award Selection Committee consisting of nine members, the members of which shall have been recipients of the Distinguished Service Award. The Committee shall elect its own Chairman and Vice Chairman. No member shall serve for more than two consecutive three-year terms.

The Committee shall determine the recipients in accordance with such guidelines as the Committee shall recommend and the Executive Committee shall approve; and report its selection, if any, to the Board of Directors. The Award shall be presented at the Annual meeting of the Association. The Distinguished Service Award shall not be awarded posthumously, shall not be awarded to Past Presidents of the Association and shall not be awarded to more than two recipients in each elective year.

SECTION 6. There shall be a Leadership Team consisting of the President; President-Elect; First Vice President; Treasurer; Immediate Past President; Vice President and Liaison to Committees; Vice President and Liaison to Government Affairs; President-Elect Nominee(s); First Vice President

Nominee(s); Treasurer Nominee(s); Vice President and Liaison to Committees Designee; Vice President and Liaison to Government Affairs Designee; and Chief Executive Officer.

Voting members of the Leadership Team shall be the President; President-Elect; First Vice President; Treasurer; Immediate Past President; Vice President and Liaison to Committees; and Vice President and Liaison to Government Affairs. In the event of a tie vote, the President shall determine the position to be taken with respect to the particular issue.

Except as to actions specifically stated in the Constitution or Bylaws or by law to require approval of or to be taken by the Board of Directors or Executive Committee, the Leadership Team shall have the authority to act on behalf of the Board of Directors and Executive Committee to make policy and operational decisions for the Association between meetings of the Executive Committee and Board of Directors. The Leadership Team shall report its actions, as appropriate, to the Executive Committee and Board of Directors.

The Leadership Team shall meet upon the call of the President or four of the voting members, stating the time and place of the meeting. A majority of the voting members of the Leadership Team, one of whom must be the President, shall constitute a quorum.

The Leadership Team may take any action which it could take at a meeting of the Leadership Team without a meeting if a consent in writing, setting forth the action so taken, is signed by all the voting members of the Leadership Team. Members of the Leadership Team may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting.

SECTION 7. There shall be such other committees as may be designated by the Board of Directors or the Executive Committee, the members of which shall be appointed by the President unless otherwise directed by the Board of Directors or the Executive Committee.

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ARTICLE IX

NATIONAL CONVENTION - DELEGATES AND VOTING

SECTION 1. A National Convention shall be held annually at such time and place as may be fixed by the Board of Directors. The annual meeting of the members shall be held at the National Convention. Board Members and Individual Members present at any meeting of the National Association shall be delegates, entitled to participate fully in all discussions and deliberations.

SECTION 2. Voting shall be by Member Boards. The chief elected officer of a Member Board in good standing or his duly accredited alternate, who shall be a Board Member of the same Board, shall in viva voce cast the vote for his Board, and he shall be entitled to as many votes as his Board has REALTOR® or REALTOR-ASSOCIATE® Members who hold primary membership in the Member Board, all of whom must be in good standing according to the records of the National Association. In the event a viva voce vote is not unanimous, any delegate may request a recorded vote prior to the body's consideration of the next item of business, which request must be granted by the presiding officer. The recorded vote may be administered electronically, or by written ballot or by another process identified prior to the commencement of the meeting of the Delegate Body. Voting by proxy or division of the vote of a Member Board shall not be permitted.

SECTION 3. Written notice to certify delegates to the National Convention shall be given by the National Association to each Member Board at least 30 days before the convention. Member boards shall provide to the National Association written certification of the Member Board's delegate and/or alternate in such form, including electronic, as may be approved by the National Association no later than six business hours prior to the meeting of the Delegate Body.

SECTION 4. Wherever notice of meetings or of the subjects to be considered at meetings is required or authorized by this Constitution, publication of such notice in an official publication which is mailed to all members of the National Association within the required time limits, shall be deemed to be good and sufficient notice.

SECTION 5. Directors shall assume office on the day following the official closing of the Annual Convention and shall serve until their successors are selected and assume office.

SECTION 6. Chief elected officers of Member Boards or their accredited alternates present at the National Convention may make recommendations to the Board of Directors as to the general policies of the National Association and as to the actions to be taken upon specific questions.

SECTION 7. Chief elected officers of Member Boards or their accredited alternates from 100 Member Boards shall constitute a quorum.

SECTION 8. Chief elected officers of Member Boards or their accredited alternates shall meet at the National Convention and may meet at the Midyear Meeting when called to do so in accordance with Article XII, Section 2 of this Constitution.

SECTION 9. An Individual Member who is qualified to vote under Article III, Section 7 of this Constitution and is present at the National Convention, shall have the right to vote in person in any election in which chief elected officers of the Member Boards may vote.

ARTICLE X

ELECTIONS

SECTION 1. The annual election of officers shall be the first order of business at the Midyear meeting of the Board of Directors. Any election of the officers in which there is more than one candidate for the office shall be conducted by secret ballot. When an election is conducted by secret ballot, the vote count shall be reported to the Board of Directors. Thereafter the disposition of the ballots shall be in accordance with the policies established by the Board of Directors.

SECTION 2. There shall be a Nominating Committee consisting of:

(A) The Past President twice removed of the National Association or his most recent predecessor who is able and willing to serve;

(B) Two persons appointed by the Advisory Committee from among its members;

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(C) One person appointed by the President of the National Association from each Region created pursuant to Article XIV, provided such person is not an announced candidate, has not served on the Nominating Committee during both of the two years preceding the year of appointment, and has served either as a Regional Vice President during the preceding five years or as a Director of the National Association during at least two of the preceding five years.

(D) The immediate Past President of the National Association shall serve as an ex officio member of the Committee.

(E) The Chairman shall be the Past President twice removed and if he is unable to serve, his most recent and available predecessor shall serve in his stead except that in no case shall a Past President serve as Chairman for two successive years.

(F) The President shall be advised by the Regions concerning those persons to be appointed by him to the Nominating Committee from the Region as well as the name of an alternate to serve on the Committee in the absence of the appointed representative. A member may not serve more than two consecutive one-year terms as the Region's representative on the Nominating Committee. The procedure by which the Regions shall advise the President shall be determined by the Region.

(G) Members of the Nominating Committee may not publicly endorse any candidate. A member of the Leadership Team may not publicly endorse any candidate, other than him or herself, during his or her term.

(H) The Nominating Committee shall meet at the Annual Convention or at a special meeting of the Nominating Committee called for the purpose of organizing itself, establishing its procedures, and initiating its deliberations. The Nominating Committee may hold, on its own motion, such meetings as it may deem necessary to complete its slate of nominees pursuant to the schedule set forth in this Article.

SECTION 3.

(A) There shall be a Candidate Audit Work Group comprised of the Chair of the Nominating Committee, the Immediate Past President of the National Association and three regional representatives from the Nominating Committee selected in random rotation.

(B) The Candidate Audit Group may hold such meetings as it deems necessary to complete its work pursuant to the schedule set forth in this Article.

(C) The candidate's legal audit shall be conducted by, and the criminal background reports shall be obtained by, the General Counsel of the National Association who shall prepare an evaluation for submission to the Candidate Audit Work Group identifying issues from those reports based upon the guidelines established by the Board of Directors. Issues disclosed by the financial, legal and criminal background reports noted in the evaluation will first be reported to the candidate who will be given thirty (30) days to correct any inaccurate information before the evaluation is provided to the Candidate Audit Work Group.

2. The Candidate Audit Work Group shall review the application and the evaluation of the financial audit, legal audit and criminal background check for each candidate for President-elect, First Vice President, Treasurer and Regional Vice President. Any issues arising from this review that are deemed significant by the Candidate Audit Work Group will be reported to the Nominating Committee. If deemed appropriate by the Nominating Committee, those issues may also be disclosed to the Board of Directors if the member stands for election.

SECTION 4.

(A) 1. All Persons who have received their state association's endorsement to be candidates for the National Association offices of President-Elect, First Vice President, and Treasurer shall by the 15th day of April and within thirty days of receiving the endorsement file an application with the Nominating Committee.

2. An application must be filed each year within thirty days after a candidate receives the endorsement of his/her home state association for the office of President-Elect, First Vice President or Treasurer.

(B) No member may accept and no Region, State or Local Association, Board Member or real estate business owned in whole or in part by a Board Member may provide financial support and/or an official endorsement of any member to be a candidate for the office of National Association President-Elect, First Vice President or Treasurer prior to the member's receipt of the endorsement of the member's home state association for that office and the filing of that member's application with the Nominating Committee. Upon receipt of his or her

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home state association's endorsement and the filing of his/her application with the Nominating Committee, the member shall be deemed to be a state endorsed candidate. To continue to be eligible to receive financial support and/or an official endorsement, a member must maintain his or her status as a state endorsed candidate by annually obtaining the member's home state association endorsement to be a candidate for National Association elective office and filing, within thirty days thereafter, an application with the Nominating Committee.

(C) 1. The application form must include the member's authorization to obtain financial, legal and criminal background reports for use in connection with the audit and election process. The Chairman of the Nominating Committee shall report to the Board of Directors at the midyear meeting of the National Association following the filing of these applications the names of all persons who have filed an application and the office for which they seek to be a candidate.

2. Following the midyear meeting at which the names are reported to the Board of Directors by the Chairman of the Nominating Committee, the Nominating Committee shall review the qualifications of all candidates who have filed applications to determine their eligibility to serve as an officer of the National Association. This review shall include conducting interviews with each candidate, reviewing any issues raised by the Candidate Audit Work Group, personal interviews with the candidates by Past Presidents, if requested by the Past Presidents or the candidate, and the receipt of the candidate's home state endorsement and any other endorsements the candidate may elect to submit on behalf of him or herself from Regions, State and Local Associations and National Directors. Each endorsement received by the Nominating Committee must be signed and dated by an elected officer holding office in the year the Nominating Committee meets to review the qualifications of the endorsed candidate.

3. In the event the Candidate Audit Work Group identifies to the Nominating Committee an issue in connection with any candidate for the office of Regional Vice President or if there is a contested election for Regional Vice President, the Nominating Committee may require an interview with that candidate or candidates for that Region.

4. The Nominating Committee's review of the qualifications of all candidates for the offices of the National Association shall be completed prior to the

next meeting of the Board of Directors at the annual meeting of the National Association. At that annual meeting of the National Association, the Nominating Committee shall nominate at least one nominee for each of the offices of President-Elect, First Vice President and Treasurer from among the state endorsed candidates and a nominee for Regional Vice President for each of the Regions. Notice of the nominee slate for the offices of President-Elect, First Vice President and Treasurer shall be provided to the membership of the National Association prior to January 15th of the next year.

SECTION 5.

(A) Names may be added to the slate of officers nominated by the Nominating Committee for the offices of President-Elect, First Vice President, Treasurer and Regional Vice President. These names may be placed in nomination by petition if the petition and a completed candidate application form, including the information for legal audit and authorization for the National Association to obtain the financial and criminal background reports for use in connection with the audit and election process, are received at the headquarters of the National Association on or before February 28th of the year following nomination of the slate of officers by the Nominating Committee. Individuals nominated by petition need not have previously filed an application to be a candidate for office in the National Association.

(1) Petitions on behalf of candidates for the office of President-Elect, First Vice President, and Treasurer shall be signed by not less than one hundred twenty-five (125) of the Directors who were identified in the records of the National Association as holding their position as of the time the Nominating Committee nominated the slate of officers. Not more than one-fifth of the signatures shall be by Directors from the same State.

(2) Petitions on behalf of candidates for the office of Regional Vice President shall be signed by not less than twenty percent of the Directors of the Region which the Regional Vice President will represent of which Directors not more than one-half shall be from the same state.

(3) The financial audit, legal audit and criminal background check of members filing petitions shall be completed by the Candidate Audit Work Group prior to March 21st. The process followed by the Candidate Audit Work Group shall be as described in Section 3, except that the member shall have seven (7) days to correct any

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inaccurate information before the evaluation is disclosed to the Candidate Audit Work Group.

(B) The Board of Directors shall be advised of petitions properly filed for each office by notice sent to each Director either by mail or electronic communication on or before March 21st.

ARTICLE XI

FISCAL AND ELECTIVE YEAR

SECTION 1. The fiscal year of the National Association shall be from January 1 to December 31, inclusive.

SECTION 2. The elective year of the National Association shall begin the day following the official closing of the Annual Convention and end the last day of the Annual Convention.

ARTICLE XII

MIDYEAR MEETING, AND SPECIAL MEETINGS

SECTION 1. The Board of Directors or the President, upon thirty days notice may issue a call for delegates of Member Boards and Individual Members who are qualified to vote individually to meet at the Midyear Meeting.

SECTION 2. Special meetings of the National Association shall be called by the Board of Directors or by the President upon petition by at least twenty percent of its Member Boards or upon petition signed by the number of Member Boards and Individual Members who are qualified to vote individually representing at least twenty percent of the total REALTOR® and REALTOR-ASSOCIATE® Members, and such Individual Members.

ARTICLE XIII

INSTITUTES, SOCIETIES AND COUNCILS

SECTION 1.

(A) For the purpose of affording those affiliated with Member Boards a greater opportunity for cooperation and discussion of administrative and

business problems of the particular phases of the real estate business in which they are individually interested, the Board of Directors may establish Institutes, Societies or Councils of the National Association.

(B) No Institute, Society or Council shall be established or maintained which has less than one hundred Members.

SECTION 2.

(A) Institutes, Societies and Councils shall represent major fields of activity, or administrative and business problems in the real estate business. Institutes, Societies and Councils may, with the approval of the Board of Directors, adopt and amend corporate charters, adopt and amend Bylaws, elect governing bodies and officers, prescribe qualifications for membership, and establish and collect dues which shall be segregated in the books of account for their own use.

(B) Councils created for the consideration of administrative and business problems may elect a Chairman and appoint committees but may not levy dues or establish special membership requirements without the expressed approval of the Board of Directors of the National Association.

SECTION 3. Meetings of the Institutes, Societies and Councils may, subject to the policies of the Convention Meetings Committee of the National Association, be held either independent of or in conjunction with the two annual business meetings of the National Association. The decision of each Institute, Society or Council to meet independently of the National Association, once reported to the National Association, shall not be alterable by the Institute, Society or Council. The Executive Vice President and President of each Institute, Society and Council or his/her designated representative shall attend the two annual business meetings of the National Association.

SECTION 4. Subject to the provisions of Article XX hereof, any action by the Institutes, Societies or Councils shall be subject to the approval of the Board of Directors. The Constitution, Articles of Incorporation and Bylaws of the Institutes, Societies and Councils shall specifically make appropriate provisions for such approval.

SECTION 5.

(A) Attendance at any or all meetings of the Institutes, Societies or Councils shall be open to all members of the National Association, provided that

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the privilege of such attendance at such meetings held in conjunction with the National Convention shall be subject to the payment of the National Convention registration fee.

(B) If Institutes, Societies or Councils have established dues as provided in their Bylaws, only members of such Institutes, Societies or Councils shall be entitled to participate in their discussions, vote and receive without added cost their publications or other services.

SECTION 6. Members of the Institutes, Societies or Councils who hold a professional designation awarded by the Institute, Society or Council or who hold a class of membership that confers the right to hold office shall hold REALTOR®, REALTOR-ASSOCIATE® or Institute Affiliate Membership in Member Boards of the NATIONAL ASSOCIATION OF REALTORS®, provided, however, that persons who are currently employed in an executive, administrative or management capacity by a Member Board of the National Association, by a multiple listing service that is wholly-owned by one or more Member Boards, or by an Institute, Society or Council of the National Association, shall be eligible to earn, be awarded and maintain a professional designation offered by an Institute, Society or Council and provided further that persons engaged in the real estate business outside of the United States, its insular possessions and the Commonwealth of Puerto Rico shall not be obligated to maintain any form of membership in the NATIONAL ASSOCIATION OF REALTORS® as a precondition to membership in any Institute, Society or Council.

ARTICLE XIV

REGIONS

SECTION 1. The Board of Directors may create regions in the United States, and may conduct Regional meetings and conferences in such regions.

ARTICLE XV

STATE ASSOCIATIONS: MEMBERSHIP AGREEMENT

SECTION 1. The National Association may enter into a membership agreement with a state association which shall provide that all of the Member Boards in such state must be and continue to be, as a condition of continued membership in the National Association, Members of the state association. The Board of Directors shall consider such membership agreement only when and if requested by a state association, and a thirty-day written notice of such application shall be sent to all members of the Board of Directors preceding the meeting at which it will be considered. An application for such membership agreement may be granted by the National Association provided that the state association complies with the following standards and conditions:

(A) Such associations shall be organized with local boards as its constituent members, except that it may have individuals as Members in any area where there is no Member Board;

(B) Such association shall adopt the Code of Ethics of the National Association and agree to aid in its enforcement.

(C) Such association shall adopt as minimum requirements for election to membership of any local board or any individual the minimum requirements established by the National Association from time to time;

(D) Such association shall agree that after a specified date all of its Member Boards and Individual Members, as a condition of continued membership, shall hold membership in the National Association;

(E) The application of any such association for a membership agreement shall be endorsed by a number of Member Boards and Individual Members of the National Association in such state representing sixty-six and two-thirds percent of the REALTOR® Members and Individual Members therein;

(F) A state association having a membership agreement with the National Association may terminate such agreement by vote of a number of Member Boards and Individual Members of the National Association in such state representing sixty-six and two-thirds percent of the REALTOR® Members and Individual Members of such association.

SECTION 2. When the National Association shall have entered into a membership agreement with

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any state association complying with the provisions of this Article, any local board or individual holding primary membership in a local board within the territory of such association shall not be elected to membership in the National Association unless such board or individual shall be a member of such state association, and Member Boards and Individual Members of the National Association within the territory of such state association shall, as a condition of continued membership in the National Association, maintain membership in such state association; provided, however, that the National Association shall reserve the right of review on the application of any local board refused membership in a state association and of retaining as a Member Board in the National Association any local board which resigns from a state association or which is expelled from such association for any cause other than the nonpayment of dues on a parity with other Member Boards in such state; and provided further, that any state association may, upon so notifying the National Association, also reserve the right of review on the application of any local board refused membership in the National Association and of retaining as a Member Board in such state association any local board which resigns from, or is expelled from, the National Association for any cause other than the nonpayment of dues to the National Association on a parity with other Member Boards.

ARTICLE XVI

GIFTS AND BEQUESTS

SECTION 1. The National Association may accept gifts and bequests which shall be administered by the Board of Directors and which shall constitute an endowment; the income derived from investment of such gifts and bequests shall be used to promote the objects of the National Association. The National Association also may accept gifts and bequests for specific purposes, provided such purposes shall have the approval of the Board of Directors, in which case such gifts or bequests shall be used only for the purposes and in the manner specified by the donor.

ARTICLE XVII

NATIONAL ASSOCIATION HEADQUARTERS

SECTION 1. The National Association shall maintain headquarters at Chicago, Illinois, or at such other place or places as may be designated from time to time by the Board of Directors.

SECTION 2. The legal headquarters of the National Association shall be maintained in Chicago, Illinois, the state of incorporation.

ARTICLE XVIII

BYLAWS

SECTION 1. Bylaws may be adopted or amended at any meeting by two-thirds of the Directors present at such meeting, provided that a quorum is present at such meeting, and provided that the substance of the proposed amendments shall have been submitted to the Member Boards at least 30 days in advance of their adoption.

ARTICLE XIX

AMENDMENTS

SECTION 1. This Constitution may be amended by two-thirds of the number of votes cast by the delegates at the National Convention, provided the proposed amendment shall first have been submitted in writing and been reported upon by the Board of Directors, and provided further, that written notice of the substance of the proposed change has been sent to each Member Board and Individual Member who is qualified to vote individually at least 30 days prior to the meeting at which the amendment is to be considered. The notice may be sent by first-class mail, electronic communication, including e-mail, or any other means permitted by law that has been approved by the Board of Directors for sending such notices.

SECTION 2. The Code of Ethics may be amended by two-thirds of the number of votes cast by the delegates at the National Convention; provided the proposed amendment shall first have been submitted in writing and have been reported upon by the Board of Directors, and provided further, that written notice of the substance of the amendment has been sent to each Member Board and Individual Member who is qualified to vote individually at least 30 days prior to the National Convention at which the amendment is to be considered. The notice may be sent by first-class mail, electronic communication,

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including e-mail, or any other means permitted by law that has been approved by the Board of Directors for sending such notices.

ARTICLE XX

INSTITUTES, SOCIETIES AND COUNCILS, NATIONAL ASSOCIATION OF REALTORS® RIGHTS AND RESPONSIBILITIES

SECTION 1. The following rights and responsibilities are reserved to each of the Institutes, Societies and Councils respectively:

(A) The establishment of qualifications and the establishment and administration of procedures, for admission to candidacy and membership and the awarding of professional designations of the Institute, Society and Council to persons who are members of, or affiliated with, the National Association;

(B) The establishment of membership dues in the Institute, Society or Council and all other fees charged members and candidates for membership and others accredited, or seeking accreditation, by the Institute, Society or Council;

(C) The selection, supervision of and the determination of compensation and duties for all staff and other personnel of each Institute, Society or Council;

(D) The establishment of a Code of Ethics and Standards of Professional Practice for the Institute, Society or Council which are not inconsistent with the Code of Ethics of the National Association as from time to time amended; provided, however, that in order for its members to be eligible for Institute Affiliate Membership pursuant to Article III, such Institute, Society or Council must adopt and enforce the National Association's Code of Ethics or a code of ethics approved by the National Association that addresses the specialty area of that Institute, Society or Council, which code of ethics must apply to all persons who have been awarded a professional designation and those who hold classes of membership that confer the right to vote or hold office;

(E) The establishment and administration of appropriate procedures for the enforcement by each

Institute, Society or Council of its Code of Ethics and Standards of Professional Practice;

(F) The determination of the qualification for, enrollment in, fees for, and the content, scheduling, administration, organization and operation of, all Institute, Society or Council education programs, curricula, courses, and seminars dealing with or relating to the phase of the real estate business with which the Institute, Society or Council is concerned;

(G) The preparation, publication, distribution and pricing of Institute, Society or Council educational material dealing with or relating to the phase of the real estate business and other matters with which the Institute, Society or Council is concerned, including the determination of content, viewpoint, and sources;

(H) The establishment, alteration and dissolution of local chapters of each Institute, Society or Council and the control over each such chapter's composition, powers and duties;

(I) Those other items, matters and activities as necessary to carry out those rights and responsibilities reserved to Institutes, Societies and Councils by this Article XX and which are not otherwise inconsistent with this Constitution.

SECTION 2. The National Association shall have the following rights and responsibilities:

(A) Primary responsibility to administer, coordinate, report on and deal with both legislative and executive branches of agencies of federal, state or local governments, including independent regulatory agencies and including, but not limited to, the duty to maintain a Washington office for the purpose of reporting to the membership of the National Association and the Institutes, Societies and Councils all matters concerning the activities or proposed activities of the executive and legislative branches and agencies of the Federal government that relate to real estate. The Committee structure shall provide the opportunity for the Institutes, Societies and Councils to have input into the decision-making process;

While the National Association has primary responsibility for the various matters enumerated above, it shall encourage the Institutes, Societies and Councils to assume a participatory role with respect to each of such activities.

The Institutes, Societies and Councils shall be permitted to engage in such activities with respect to

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issues in which the National Association is not involved or is inactive, so long as no positions are taken which conflict with positions of the National Association and provided further that the National Association shall have prior notice of all such activities undertaken by any Institute, Society or Council.

In the event that an Institute, Society or Council adopts a policy on any legislative or regulatory matter that is in conflict with the policy of the National Association, both organizations shall make every reasonable attempt to resolve their differences. If, after all reasonable attempts to resolve such differences have been exhausted and the organizations are unable to resolve the conflict in policy positions, each organization shall be free to take whatever actions it deems necessary to advocate its policy.

(B) General responsibility to plan the National conventions and meetings including, but not limited to, the responsibility for coordinating the meeting schedules of the National Association and the Institutes, Societies and Councils so as to minimize scheduling conflicts;

(C) Responsibility to make available to the Institutes, Societies and Councils appropriate office space, accounting and computer services, mailing services and fringe benefits for staff so that such space, services and benefits will be of high quality at the lowest possible cost;

(D) Responsibility to assist in coordinating scheduling of Institutes, Societies and Councils educational courses and programs with the scheduling of educational courses and programs of other Institutes, Societies and Councils and the National Association so as to avoid whenever possible scheduling conflicts.

Although the National Association has the responsibility for the various matters enumerated above, this shall not be construed to restrict or prevent Institutes, Societies and Councils from assuming a secondary role with respect to each of

such activities which is not inconsistent with the policy of the National Association.

SECTION 3. In the event that a question or controversy arises with respect to the proper interpretation of this Article XX, such question or controversy shall be referred to the Institute Advisory Committee. The Institute Advisory Committee shall make an investigation to determine the relevant facts and circumstances bearing upon the question or controversy, and if appropriate, shall conduct a hearing relating to the matter.

The decision of the Institute Advisory Committee with respect to any such questions or controversy relating to the proper interpretation of this Article XX shall be final unless, after notice as hereinafter specified, such decision is reversed by the affirmative vote of not less than two-thirds of the members of the Executive Committee of the National Association present at a regular or special meeting of such Executive Committee, the decision of the Executive Committee shall be final. The Executive Committee shall not take any action to modify or reverse any such decision of the Institute Advisory Committee unless written notice of the intention to consider such decision, together with the full report of the Institute Advisory Committee, shall be submitted to the members of the Executive Committee not less than twenty-four (24) hours prior to such action.

SECTION 4. The NATIONAL ASSOCIATION OF REALTORS® and each Institute, Society and Council affiliated with the National Association as of January 1, 1993 that is separately incorporated may terminate the affiliation established under Article XIII, Section 1(A) hereof by a two-thirds vote of the respective governing body, with any such disaffiliation to be effective eighteen months from the date of the vote to disaffiliate. Any affiliation established with an Institute, Society or Council subsequent to January 1 of 1993 may be terminated by a majority vote of the National Association's Board of Directors with such disaffiliation to take effect immediately unless otherwise specified by the Board of Directors.