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Form **990-EZ**

Short Form Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

► Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form.

► The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-1150

2009Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service**A For the 2009 calendar year, or tax year beginning****, 2009, and ending**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Please use IRS label or print or type. See Specific Instructions. LITTLE ROCK REALTORS ASSOCIATION, INC. 300 NATURAL RESOURCES DRIVE LITTLE ROCK, AR 72205	D Employer identification number 71-6056678
		E Telephone number 501-225-1987
		F Group Exemption Number ► N/A

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Accounting method: ☐ Cash ☒ Accrual
Other (specify) ►

I Website: ► **WWW.LITTLEROCKREALTORSASSOC.COM**

H Check ☒ if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

J Tax-exempt status (check only one) — ☒ 501(c) (6) (Insert no.) ☐ 4947(a)(1) or ☐ 527

K Check ☐ if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$500,000 or more, file Form 990 instead of Form 990-EZ

► \$ **269,390.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)

1 Contributions, gifts, grants, and similar amounts received	1	
2 Program service revenue including government fees and contracts	2	15,163.
3 Membership dues and assessments	3	227,590.
4 Investment income	4	10,887.
5a Gross amount from sale of assets other than inventory	5a	
b Less: cost or other basis and sales expenses	5b	
c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
6 Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here <input type="checkbox"/>		
a Gross revenue (not including \$ _____ of contributions reported on line 1)	6a	
b Less: direct expenses other than fundraising expenses	6b	
c Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c	
7a Gross sales of inventory, less returns and allowances	7a	
b Less: cost of goods sold	7b	
c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	
8 Other revenue (describe ► SEE STATEMENT 1)	8	15,750.
9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8	9	269,390.
10 Grants and similar amounts paid (attach schedule)	10	
11 Benefits paid to or for members	11	
12 Salaries, other compensation, and employee benefits	12	113,271.
13 Professional fees and other payments to independent contractors	13	5,678.
14 Occupancy, rent, utilities, and maintenance	14	
15 Printing, publications, postage, and shipping	15	
16 Other expenses (describe ► SEE STATEMENT 2)	16	127,291.
17 Total expenses. Add lines 10 through 16	17	246,240.
18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18	23,150.
19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	943,847.
20 Other changes in net assets or fund balances (attach explanation)	20	
21 Net assets or fund balances at end of year. Combine lines 18 through 20	21	966,997.

Part II Balance Sheets. If Total assets on line 25, column (B) are \$1,250,000 or more, file Form 990 instead of Form 990-EZ

(See the instructions for Part II.)

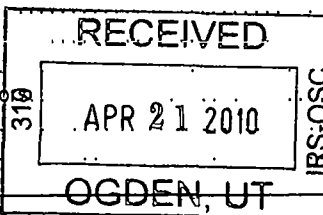
	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	716,676.	22 701,986.
23 Land and buildings	284,047.	23 287,213.
24 Other assets (describe ► SEE STATEMENT 3)	11,762.	24 10,323.
25 Total assets	1,012,485.	25 999,522.
26 Total liabilities (describe ► SEE STATEMENT 4)	68,638.	26 32,525.
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	943,847.	27 966,997.

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form 990-EZ (2009)

TEEA0803L 01/30/10

SCANNED MAY 17 2010

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(Required for section 501(c)(3) and (4) organizations and section 4947(a)(1) trusts; optional for others.)

Part V Other Information (Note the statement requirements in the instrs for Part V.)

	Yes	No
33 Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
34 Were any changes made to the organizing or governing documents? If 'Yes,' attach a conformed copy of the changes	X	
35 If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T.		
a Did the organization have unrelated business gross income of \$1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If 'Yes,' complete applicable parts of Schedule N		X
37a Enter amount of political expenditures, direct or indirect, as described in the instructions 37a 0.		
b Did the organization file Form 1120-POL for this year?		X
38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the period covered by this return?		X
b If 'Yes,' complete Schedule L, Part II and enter the total amount involved 38b N/A		
39 Section 501(c)(7) organizations. Enter		
a Initiation fees and capital contributions included on line 9 39a N/A		
b Gross receipts, included on line 9, for public use of club facilities 39b N/A		
40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 N/A ; section 4912 N/A ; section 4955 N/A		
b Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I 40b		
c Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.		
d Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization 0.		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If 'Yes,' complete Form 8886-T 40e X		
41 List the states with which a copy of this return is filed NONE		

42a The organization's books are in care of **ELIZABETH A. SHEARD** Telephone no. **501-225-1987**
 Located at **300 NATURAL RESOURCES LITTLE ROCK AR** ZIP + 4 **72205**

b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? **42b** X
 If 'Yes,' enter the name of the foreign country: _____

See the instructions for exceptions and filing requirements for **Form TD F 90-22.1, Report of a Foreign Bank and Financial Accounts.**

c At any time during the calendar year, did the organization maintain an office outside of the U.S.? **42c** X
 If 'Yes,' enter the name of the foreign country: _____

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041** — Check here ☐ N/A
 and enter the amount of tax-exempt interest received or accrued during the tax year **43** N/A

44 Did the organization maintain any donor advised funds? If 'Yes,' Form 990 must be completed instead of Form 990-EZ **44** X

45 Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If 'Yes,' Form 990 must be completed instead of Form 990-EZ **45** X

Part VI Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only. All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46-49b and complete the tables for lines 50 and 51.

46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I.

Yes No

46

47 Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II.

47

48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E.

48

49a Did the organization make any transfers to an exempt non-charitable related organization?

49a

b If 'Yes,' was the related organization a section 527 organization?

49b

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances

f Total number of other employees paid over \$100,000

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation

d Total number of other independent contractors each receiving over \$100,000

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer *Elizabeth A. Sheard*

Date

ELIZABETH A. SHEARD

EXEC. OFFICER

Type or print name and title.

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP + 4
KNAPP, CRAIG & COMPANY, P.A.
1501 N UNIVERSITY, SUITE 245
LITTLE ROCK, AR 72207Date
3-10-10Check if self-employed ☐Preparer's Identifying Number (See instructions)
P00014666

EIN 71-0654756

Phone no (501) 664-5434

May the IRS discuss this return with the preparer shown above? See instructions.

X Yes No

BAA

Form 990-EZ (2009)

LITTLE ROCK REALTORS ASSOCIATION, INC.

71-6056678

STATEMENT 1
FORM 990-EZ, PART I, LINE 8
OTHER REVENUE

CARMLS ROYALTIES		\$	15,750.
TOTAL		\$	<u>15,750.</u>

STATEMENT 2
FORM 990-EZ, PART I, LINE 16
OTHER EXPENSES

ADVERTISING AND PROMOTION	\$	984.
BUILDING PROPERTY TAXES		4,672.
COMMUNITY INVOLVEMENT		2,572.
CONVENTION SPONSORSHIP		500.
DEPRECIATION		13,025.
EDUCATION EXPENSE		4,020.
GOVERNMENTAL AFFAIRS		42,500.
INSURANCE		1,493.
MAINTENANCE & REPAIRS		10,403.
MEETINGS & EVENTS		12,912.
MEMBER COMMUNICATION		7,710.
OFFICE EXPENSES		14,474.
RPAC CONTRIBUTION		3,153.
TELEPHONE		3,994.
UTILITIES		4,879.
TOTAL	\$	<u>127,291.</u>

STATEMENT 3
FORM 990-EZ, PART II, LINE 24
OTHER ASSETS

	BEGINNING	ENDING
ACCOUNTS RECEIVABLE	\$ 1,398.	\$ 1,976.
ACCRUED INTEREST	907.	776.
FURNITURE AND FIXTURES	7,765.	4,703.
PREPAID EXPENSES AND DEFERRED CHARGES	1,692.	2,868.
TOTAL	\$ <u>11,762.</u>	\$ <u>10,323.</u>

STATEMENT 4
FORM 990-EZ, PART II, LINE 26
TOTAL LIABILITIES

	BEGINNING	ENDING
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 4,140.	\$ 5,537.
DEFERRED REVENUE	64,498.	26,988.
TOTAL	\$ <u>68,638.</u>	\$ <u>32,525.</u>

2009

FEDERAL STATEMENTS

PAGE 2

LITTLE ROCK REALTORS ASSOCIATION, INC.

71-6056678

STATEMENT 5

FORM 990-EZ, PART VI

REGARDING TRANSFERS ASSOCIATED WITH PERSONAL BENEFIT CONTRACTS

(A) DID THE ORGANIZATION, DURING THE YEAR, RECEIVE ANY FUNDS, DIRECTLY OR INDIRECTLY, TO PAY PREMIUMS ON A PERSONAL BENEFIT CONTRACT?	NO
(B) DID THE ORGANIZATION, DURING THE YEAR, PAY PREMIUMS, DIRECTLY OR INDIRECTLY, ON A PERSONAL BENEFIT CONTRACT?	NO

LITTLE ROCK REALTORS® ASSOCIATION, INC.

2009 OFFICERS AND DIRECTORS

OFFICERS

Nick McDaniel
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562-2000 (O) 568-0533 (F)
nickmc@cei.net

President

Tommy Mathieu
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Vice President/President Elect

Drew Basham
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Treasurer

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Secretary

Fauvette Richie
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Past-President

2009 DIRECTORS

One Year Remaining
(ends December 2009)

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(ends Dec. 2010)

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BY - L A W S

of the

LITTLE ROCK REALTORS® ASSOCIATION, INC.

(Amended June, November, 2001)

(Amended May, 2002)

(Amended July, 2003)

(Amended November, 2003)

(Amended November 2004)

(Amended September, 2005)

(Amended September, 2009)

ARTICLE I - Name

Section 1. Name. The name of this organization shall be the Little Rock REALTORS® Association, Inc., hereafter referred to as the "Association".

Section 2. REALTORS®. Inclusion and retention of the term REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II - Objectives

The objectives of the Association are:

Section 1. To unite those engaged in the recognized branches of the real estate profession in this community for the purpose of exerting a beneficial influence upon the profession and related interests.

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 4. To further the interest of home and other real property ownership.

Section 5. To unite those engaged in the real estate profession in this community with the Arkansas REALTORS® Association and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

Section 6. To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III - Jurisdiction

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® shall include all that portion of Pulaski County, Arkansas located south of the Arkansas River.

Section 2. Territorial jurisdiction is defined to mean:

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

ARTICLE IV - Membership

Section 1. There shall be six classes of Members, as follows:

(a) REALTOR® Members. REALTOR® Members, whether primary or secondary shall be:

(1) Individuals who, as sole proprietors, partners, or corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Arkansas or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation, who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Board/Association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(f) of Article IV.

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

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.

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

the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local association, state association and National Association.

(4) **Primary and secondary REALTOR® Members.** An individual is a primary member if the Association pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.

(5) **Designated REALTOR® Members.** Each firm shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

(b) **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 paragraph (a) or (f) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association. Affiliate Members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Association.

(c) **Honorary Life.** Honorary Life Members shall be limited to those individuals who are totally retired from the business of real estate brokerage, management, counseling or appraising but have previously been active in one or more of those fields of endeavor; who have maintained continuous membership in the Association for a period of at least ten years preceding, and who have made a significant contribution to this Association and the real estate profession. Such classification of membership shall be awarded only after nomination by a committee of the immediate Past President, current President and President-Elect of this Association and election by the Board of Directors of this Association. Membership under this section shall carry all rights and privileges of REALTOR® Membership as set forth in Section 1(a) of this Article but without the responsibility to pay dues levied by this Association (local only) and without obligation to participate in Association activities.

(d) **Public Service.** Public Service Members shall consist of Government employees who shall be admitted to the Association by application and approval by the Membership Committee and the Board of Directors. There will be no application charge nor any membership dues for these Members. They shall have all the rights and privileges of the Association except the right to use the term REALTOR® or REALTORS®, the right to hold office, or to vote on matters affecting the conduct of the real estate business, the membership of the Association, or the property of the Association.

(e) **Honorary Senior Members.** Honorary Senior Members shall consist of REALTOR® Members as defined under Section 1(a) of this Article who have attained the age of seventy years and have maintained continuous membership in this Association for a period of ten years immediately preceding such application; and who, upon written application to the Board of Directors of this Association, may be elected to such membership and relieved of dues to this Association except the per capita assessment as shall be

payable to the NATIONAL ASSOCIATION OF REALTORS® and the Arkansas REALTORS® Association. Such classification of membership under this Section shall carry rights and privileges as REALTOR® membership as set forth under Section 1(a) of this Article.

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

(g) Other classifications or divisions may be authorized by a vote of the Members.

ARTICLE V - Qualification and Election

Section 1. Application.

(a) Application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that he has or has had access to, has carefully reviewed, and if elected a member, will abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and if a REALTOR® Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the National Association, as from time to time amended and (2) that applicant consents that the Association, through its Membership Committee or otherwise may invite and receive information and comments about applicant from any member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules, Regulations, and Code of Ethics referred to above.

Section 2. Qualification.

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

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, in order to qualify for REALTOR® membership, shall at the time of application be associated either as an employee or as an independent contractor with a designated REALTOR® member of the association or a designated REALTOR® member of another association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall complete a course of instruction covering the Bylaws and rules and 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)

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

Section 3. Election.

The procedure for election to membership shall be as follows:

(a) The Membership Committee shall determine whether the class of membership for which applicant is applying is one for which he would be eligible if otherwise possessing the qualifications of membership. If it so determines, it shall give written notice to the REALTOR® Members of such application and invite comment thereon. If one or more REALTOR® Members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Committee shall invite any objecting Member to appear and substantiate his objections. Objections which are not substantiated shall be totally disregarded. The Committee may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting member, and (2) giving the applicant a full opportunity to appear before the Committee and establish his qualifications. The Committee shall thereafter make a written record of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principals of due process and compliance with the Bylaws of the Association.

(b) Thereafter, within sixty (60) days, the Membership Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is adverse to the approval of the application, the reasons therefor shall be specifically stated. If any member of the Membership Committee submits a dissenting recommendation, it shall also be transmitted to the Board of Directors.

(c) The Board of Directors shall review the qualifications of the applicant and the recommendation of the Committee and then vote on his eligibility to membership. If applicant receives a majority vote of the Board of Directors, he shall be declared elected to membership and shall be so advised by notice in writing.

(d) The Board of Directors may not reject an application without first giving the applicant an opportunity to appear before it to be advised in writing of the findings and recommendations of the Membership Committee, to call witnesses in his behalf, to be represented by counsel and to make such statements as he deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall cause written minutes to be made of any hearing before it or may electronically or

mechanically record the proceedings.

(e) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Executive Officer. If the Board of Directors believes that applicant may resort to legal action because of rejection of his application, it may specify that rejection shall become effective upon entry in a suit by the Association for declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no right of applicant.

Section 4 - New Member Code of Ethics Orientation.

Applicants for REALTOR® membership 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 who have completed comparable orientation in another board/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 ninety (90) days of the date of application will result in denial of the membership application.

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

Section 5 – Continuing Member Code of Ethics Training

Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty 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 year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed.

Members suspended for failing to meet the requirement for the first four (4) year cycle (2001 – 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership.

Failure to meet the requirement for the second (2005 – 2008) cycle and subsequent four (4) year cycles 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 member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05)

Section 6. Status Changes.

(a) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within 30 days. A REALTOR® (non-principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within 30 days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 30 days of the date the association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

(The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Bylaws.)

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

(c) Dues shall be prorated from the first day of the quarter in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI - Privileges and Obligations

Section 1. The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be as specified in this Article.

Section 2. Any member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws, Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the National Association. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their

business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct which in the opinion of the Board of Directors applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association and the State and National Associations.

Section 3. Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the National Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 4. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel. If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(a) If a REALTOR® Member is a principal in a firm, partnership, or corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or

expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

(b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.

Section 7. Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: Local associations establish the rights and privileges to be conferred on Institute Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR® or the REALTOR® logo; to serve as President of the local association; or to be a participant in the local association's Multiple Listing Service.

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

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

Section 10. Honorary Senior Members. Honorary Senior Membership shall confer only the right to attend meetings and participate in discussions.

Section 11. Honorary Life. Honorary Life Membership shall carry all rights and privileges of REALTOR® Membership but without the responsibility to pay dues levied by this Association (local only) and without the obligation to participate in Association activities.

Section 12. Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association during the month of December on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTORS® office(s) and shall designate a primary Board/Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTORS® office(s) and if Designated REALTOR® dues have not been paid to another Board/Association based on said non-member licensees, the Designated REALTOR® shall identify the Board/Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 15 days of the date of affiliation or severance of the individual.

Section 13. Harassment. Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or association officer or director after an investigation in accordance with the procedures of the association. As used in this Section,

harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the president, and president-elect and/or vice president and one member of the board of directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the president, president-elect or vice president, they may not participate in the proceedings and shall be replaced by the immediate past president or, alternatively, by another member of the board of directors selected by the highest ranking officer not named in the complaint.

ARTICLE VII - Professional Standards and Arbitration

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.

Section 3. The responsibility of the Association and its 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 the Arkansas REALTORS® Association, which by this reference is made a part of these Bylaws.

ARTICLE VIII - Use of the Terms REALTOR® and REALTORS®

Section 1. Use of the terms REALTOR® or REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual. (Amended 06/2006)

Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® or REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

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

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

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

ARTICLE IX - State and National Memberships

Section 1. The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and of the Arkansas REALTORS® Association. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Arkansas REALTORS® Association without further payment of dues. The Association shall continue as a member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

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

ARTICLE X - Dues and Assessments

Section 1. Administration Fee. The Board of Directors may adopt an administration fee for REALTOR® membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership and which shall become the property of the Association upon final approval of the application. A schedule of fees as approved by the board shall be available at the Association office upon request.

Section 2. Dues. The annual dues of Members shall be as follows:

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

(1) For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by the broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a)(1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity. A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

(2) Membership dues shall be prorated for any licensee included on a certification form

submitted to the association who during the same calendar year applies for REALTOR® or REALTOR®-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR®-ASSOCIATE® membership during the preceding calendar year.

(b) REALTOR® Members. The annual dues of REALTOR® Members other than the Designated REALTOR® shall be an amount established annually by the Board of Directors.

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

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

(d) The annual dues of each Affiliate Member shall be an amount established annually by the Board of Directors.

(e) Honorary Life Members are relieved of dues to this Association except the allocations as prescribed by the State and National Associations.

(f) There will be no membership dues for Public Service Members.

(g) Honorary Senior Members are relieved of dues to this Association except the allocations as prescribed by the State and National Associations.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance on the first day of January. Dues shall become payable on the first day of the quarter in which a member shall be elected and shall be prorated for the year.

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

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after 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 membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposit. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution(s) selected by resolution of the Board of Directors.

Section 6. Expenditures. The Board of Directors shall administer the finances of the Association, but shall not incur any obligation in excess of the available cash on hand without authorization by vote of a majority of the REALTOR® Members.

ARTICLE XI - Officers and Directors

Section 1. Officers. The elective officers of the Association shall be: a President, Vice President/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. On or before the first Friday in August, a Nominating Committee of three REALTOR® Members shall be appointed by the President. The Nominating Committee shall select one candidate for each office and one candidate for each place on the Board of Directors to be filled. The report of the Nominating Committee shall be made to the Association meeting in August. Additional nominations may be made from the floor at this meeting. The Executive Officer shall send notice of all nominations to all REALTOR® Members not less than three days before the election, which shall be held at the annual meeting in September.

(a) In case the office of President shall become vacant, the Vice President/President Elect shall automatically be elevated to the office of President. In the event of a vacancy in any other office (Officer or Director), the Board of Directors shall appoint a REALTOR® Member as successor to fill the unexpired term of such officer. All Officers and Directors shall hold office until their successors are elected and qualified.

Section 2. Duties of Officers. PRESIDENT - The President shall preside at all meetings of the Board of Directors and the Association. He shall have general supervision over the affairs of the organization, shall sign checks, certificates of membership, and shall, with the Executive Officer, sign the minutes of all meetings over which he has presided. He shall also report to the Members of the Association from time to time, all such matters relating to the interests of the Members, as should be brought to their attention, and he shall perform all such duties as are incident to his office or properly required of him by the Association. In the absence, disability or failure to act as President, the Vice President/President Elect shall possess all the powers and perform all the duties of the office.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the elective officers, the outgoing President, and twelve REALTOR® Members of the Association. Directors shall be elected to serve for a term of two years.

(a) Eligibility. In addition to the provisions under Article VII, Section 3 of the Constitution, the following shall be enforced: (i) A notice of any change of company affiliation by a Board Member shall be immediately provided to the Association. (ii) When new company affiliation causes new company to have two Officers or Two Directors, the changing member shall resign from the Board of Directors, unless changing member and the existing member from the new company agree to the resignation of the existing member. (iii) Notice of either changing member or existing member resignation shall be submitted within thirty days of change of company affiliation.

(b) Meetings of Directors. The Board of Directors shall meet at least one time each month or at the call of the President or by petition of a majority of the Board of Directors, by giving twenty-four hours notice. Absence from three meetings during a year without an excuse deemed valid shall be construed as a resignation.

(SEE SECTION 4)

(c) Eight Members of the Board of Directors shall constitute a quorum. No business shall be transacted unless there is a quorum present.

(d) All applications for membership in the Association shall be submitted to the Directors who shall approve or disapprove membership of the applicant.

(e) Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors. Funds appropriated by the annual budget approved by the Board of Directors shall be considered appropriated and may be ordered paid by the Secretary and/or Treasurer. Any expenditures outside of the approved budget must be approved by the Executive Committee.

(f) The Board of Directors shall conduct all ordinary business and affairs of the Association except when it is deemed necessary by a majority vote of the Directors present at any meeting to submit matters to the Association as a whole for recommendation and approval.

Section 4. Executive Officer. The Executive Officer shall issue notices for all meetings and shall keep the minutes and all records pertaining to the Association. The Executive Officer shall make such reports to the Directors as they may request, and shall perform such duties as may be incident to that office or are properly required by the Directors. The Executive Officer shall have custody of and be responsible for all monies of the Association, shall see that all expenditures are duly authorized and are evidenced by proper receipts and vouchers, and shall deposit Association funds in such banks as the Directors may direct, in the name of the Little Rock REALTORS® Association, Inc. The Executive Officer shall also make a report of the financial status of the Association not less frequently than semi-annually, and at such other times as the President or Directors may require.

(a) There shall be an Executive Officer, appointed by the Board of Directors, who shall be the chief administrative officer of the Board. The Executive Officer shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors.

Section 5. 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:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the 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.

(c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

ARTICLE XII - Meetings

Section 1. Annual Meetings. The annual meeting of the Association shall be held during September of each year, the date, place and hour to be designated by the Board of Directors at least two weeks after the Nominating Committee report for election of officers and directors.

Section 2. Other General Membership Meetings. Other General Membership Meetings will be held as follows:

(a) Meetings of the Members may be held at such times as the President or the Board of Directors may determine. The Board of Directors may elect to omit the July and August meetings. The President and the Board of Directors will at the beginning of each year set regular meetings of the Association for the year.

(b) A General Membership Meeting will be held in August for a report of the Nominating Committee.

(c) Other General Membership Meetings of the Association may be called at any time by the President, or by five Members of the Association, or by the Board of Directors, who shall notify the Executive Officer to issue such call. A written or verbal notice shall be issued forty-eight hours in advance of such meeting. A Quorum for the transaction of business at any meeting shall consist of not less than seventy-five percent of the REALTOR® Members in attendance. The call of every special meeting shall state the specific purpose of such meeting; said business to be transacted before any other matter is presented.

ARTICLE XIII - Committees

Section 1. Standing Committees. (a) The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, the following standing committees:

Attendance	Finance/Budget	Program
Education	Grievance	Professional Standards
Equal Opportunity/ Fair Housing	Legislative Affairs* Membership	Public Affairs

The President shall appoint REALTOR® members to the Grievance and Professional Standards committees of the Arkansas REALTORS® Association consistent with the Cooperative Enforcement Agreement between the Association and the Arkansas REALTORS® Association.

The President shall appoint REALTOR® members, subject to confirmation by the Board of Directors, a *Legislative Affairs Committee: 3 residential members, 3 commercial members, 2 property management members, and 1 appraiser member. Terms of service shall be on a staggered basis as follows:

3 year terms - 1 residential member, 1 commercial member, 1 appraiser member
 2 year terms - 1 residential member, 1 commercial member, 1 property manager member
 1 year term - 1 residential member, 1 commercial member, 1 property manager member

No member firm shall have more than one person on this committee.

The President shall be an ex-officio member of this committee.

The purpose of this committee shall be to oversee the Governmental Consultant according to the Description of Services approved by the Board of Directors for this position. The committee shall report to the Board of Directors as directed by the Board of Directors.

The committee shall meet at least one time each month or at the call of the President or Legislative Affairs Committee Chair. Absence from three meetings during a year without an excuse deemed valid shall be construed as a resignation.

Five members of this committee shall constitute a quorum. No business shall be transacted unless there is a quorum present.

The President shall appoint, subject to the confirmation of the Board of Directors, the Chair of the committee from those members who have served on the committee for one year or more.

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

Section 3. Organization. All committees shall be of such size and shall have duties, functions and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in the Bylaws.

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

ARTICLE XIV - Fiscal and Elective Year

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

ARTICLE XV - Rules of Order

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

ARTICLE XVI - Proxies

Section 1. The use of proxies shall be allowable only in those instances where the membership is voting to amend the Constitution or Bylaws of the Corporation.

ARTICLE XVII - Amendments

Section 1. These Bylaws may be amended by a two-thirds 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 ARA or NAR policy.

Section 2. A written notice of all meetings at which such amendments are to be considered shall be given to every member eligible to vote at least one (1) week prior to the meeting.

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

ARTICLE XVIII - Dissolution

Section 1. Upon the dissolution or winding up of the affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Arkansas REALTORS® Association or, within its discretion, to any non-profit, tax-exempt organization.

ARTICLE XIX – MULTIPLE LISTING

The Bylaws of the Central Arkansas Regional Multiple Listing Service shall be incorporated into these Bylaws.