

**BY-LAWS OF THE
NANTUCKET ASSOCIATION OF REAL ESTATE BROKERS, INC.
("NAREB")**

ARTICLE I – NAME, PURPOSE

SECTION 1.1 NAME

The name of the organization shall be The Nantucket Association of Real Estate Brokers, Inc. ("NAREB").

SECTION 1.2 PURPOSE

NAREB is a private trade association located on Nantucket Island and organized for the purpose of promoting professional cooperation, service to and affinity among licensed real estate brokers and other professionals who participate in and conduct real-estate related business on Nantucket in the ordinary course and who meet the requirements of NAREB membership. NAREB and its collective and individual members are committed to maintaining and promoting professionalism, ethical conduct, continuing education, and excellence as the standard of practice among the membership. Furthermore, NAREB recognizes that the fabric of Nantucket's community and its quality of life are based upon and consist of Nantucket's various resources, including its residents and their contributions. Valuing Nantucket's sense of community, NAREB actively encourages the participation of its membership in the activities, events, organizations and/or initiatives of the Nantucket community.

ARTICLE II – MEMBERSHIP

SECTION 2.1 APPLYING FOR MEMBERSHIP

Those interested in applying for NAREB membership should contact the NAREB Secretary for membership applications. Applicants must provide written proof of satisfaction of all membership qualifications applicable to the level of membership sought (email delivery is acceptable). NAREB's Secretary will accept applications and application fees, verify the applicant's membership qualifications and, if complete, will approve an offer of membership.

SECTION 2.2 FULL MEMBERSHIP

Full Members of NAREB are individual real estate brokers or principal brokers who participate in and conduct the business of real estate on the island of Nantucket in the ordinary course and who have met NAREB's Full Membership requirements. Full Members participate in meetings, have voting status, and make rules and policy decisions for NAREB. In the instance of multiple Full Member individuals serving as principals of a single brokerage firm, their total shall constitute one voting membership, regardless of the form of organization of the entity.

Full Membership Requirements:

1. Applicants must participate in and conduct the business of real estate on the island of Nantucket in the ordinary course or indicate an intent to do so;
2. Applicants must be duly licensed by the Commonwealth of Massachusetts and hold an active real estate broker's license;
3. Applicants must be capable of offering and accepting cooperation and compensation in the capacity of a real estate broker;

4. Applicants must submit a complete application to the Secretary of NAREB;
5. Applicants must pay an application fee in an amount determined from time to time by the Executive Board;
6. In order to maintain membership, Applicants must satisfy the Attendance Requirements set forth in Article III.

SECTION 2.3 AFFILIATE MEMBERSHIP

Affiliate Members of NAREB are individual real estate brokers or salespersons who conduct business on the island of Nantucket, Massachusetts in the ordinary course, who are Affiliated with a Full Member and who have met NAREB's Affiliate Membership requirements. Affiliate Members are entitled to limited benefits of membership, are not entitled to vote or to hold office on the Executive Board, and shall not be required to attend meetings.

Affiliate Membership Requirements:

1. Applicants must participate in and conduct the business of real estate on the island of Nantucket in the ordinary course or indicate an intent to do so;
2. Applicants must be duly licensed by the Commonwealth of Massachusetts as either an active real estate broker or salesperson;
3. Applicants must be sponsored by a Full Member. Such sponsorship is intended to demonstrate the applicant's familiarity with the Nantucket community and the Nantucket real estate industry, consistent with the stated purpose of NAREB.
4. Applicants must submit an application to the Secretary of NAREB.
5. Applicants must pay an application fee in an amount determined from time to time by the Executive Board.

SECTION 2.4 ASSOCIATE MEMBERSHIP

Associate Members are individual real estate appraisers, mortgage brokers, lenders or other individuals whose business is ancillary to the real estate industry and must conduct business on the island of Nantucket in the ordinary course and who have met the Associate Membership requirements. Associate Members are entitled to limited benefits of membership, are not entitled to vote or to hold office on the Executive Board and are not permitted to attend meetings, except as authorized by the President or Executive Board.

Associate Membership Requirements:

1. The real estate appraisal or mortgage origination business, if any, for which the individual acts as a principal, or is the designated representative of, conducts business in the Nantucket real estate industry in the ordinary course;
2. The Applicant is duly licensed by the Commonwealth of Massachusetts as an active appraiser, mortgage broker or mortgage lender; and,
3. Applicants must submit an application to the Secretary of NAREB;
4. Applicants must pay an application fee in an amount determined from time to time by the Executive Board.

SECTION 2.5 MAINTAINING MEMBERSHIP

Membership in NAREB is conditioned on the member continuing to satisfy all the qualifications as outlined in this Article II for their relevant membership category. Failure at any time to meet a membership qualification shall be grounds for immediate suspension or termination of membership from NAREB.

Further, failure to strictly enforce any of the terms or conditions herein shall not be deemed to be a waiver of such term or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

SECTION 2.6 TRANSFERRING MEMBERSHIP

Membership in NAREB is on an individual basis. Full Membership may not be transferred. However:

1. Upon the disability or death of a Full Member, that individual's membership shall remain active for a maximum of sixty (60) calendar days and/or as may be extended by a majority vote of Full Members or by an order of court, to enable an orderly succession of membership to occur.
2. An Affiliate Member who transfers their license to another Full Member firm must report the transfer to the NAREB Secretary upon transfer using the transfer form. At the latest, notification to the Secretary must be done within forty-eight (48) hours of transfer. Such notification must also include all of the Affiliate's current contact information.

SECTION 2.7 NOTIFICATION OF LICENSE LAW OR OTHER VIOLATIONS

Any member, upon finding of a violation against them by the Commonwealth of Massachusetts Board of Real Estate Brokers and Salespersons, the Massachusetts Commission Against Discrimination or the Commonwealth of Massachusetts Board of Registration of Real Estate Appraisers, or by any court or agency of competent jurisdiction with regard to state or federal laws governing real estate sales, rental, appraisal and/or mortgage brokering or lending activities, shall immediately notify NAREB of any and all such final findings, in writing (emailed and scanned documents are acceptable), by submission to the Executive Board. Such notice shall be made to the Executive Board no later than within (7) seven days following the date of the finding.

SECTION 2.8 ANNUAL DUES AND FINES

1. Annual Dues

Annual dues will be assessed to all members. The dollar amount of the dues for a given year shall be determined by the Full Members of NAREB, upon recommendation from the Executive Board, both of which shall occur on or before the last regularly scheduled meeting of the calendar year. In determining an appropriate recommendation for annual dues, the Executive Board will review and consider the previous year's expenses and all other appropriate factors. Dues for new members will not be pro-rated for their first partial year of membership.

2. Fines

Fines will be noticed to members upon the occurrence of each infraction, or on a monthly basis. *However*, those fines issued for *non-attendance*, will be assessed annually by the Treasurer, pursuant to Article III, Section 3.1. Fines for non-attendance will be submitted after a review of each meeting's Statement of Attendance (see Article III, Section 3.4.). Any Full Member subject to a fine for non-attendance will be notified of the amount due at or before the first regular meeting of the next calendar year.

3. Notices and Payments.

Notice of any unpaid dues and fines payable from the previous year will be noticed in writing (email delivery is acceptable) to each member by the Treasurer on or before the first regular meeting of the year. All notices are payable within fourteen (14) days. Should payment not be received within thirty (30) calendar days, the individual will be suspended from membership for the balance of the calendar year and may not reapply for reinstatement until the following January 1 with payment of all dues and fines and assessments owed. If a Member has not paid everything in full as of December 31st of the year in which notice was issued, then the suspension will become permanent and the individual will be required to reapply for membership with payment of the application fee, and all overdue amounts required for readmission. In all cases “notice”, “notices” and “noticed” shall mean notification by mail or email.

4. Affiliate Verification Form

Each year, Full Members will be required to submit an Affiliate Verification Form, as set forth in Addendum F, to the Secretary and Treasurer. This form will verify the number of Affiliate Members associated with the Full Member firm and that the Affiliate Members meet the qualifications set forth in Article II, Section 2.3.

ARTICLE III – MEETINGS

SECTION 3.1 GENERAL PROCEEDINGS

1. Conduct of Meetings

Robert’s Rules of Order shall govern each meeting. The Executive Board shall determine in its sole discretion whether meetings shall be held in person or by video conference in which all members participating may simultaneously see and hear each other during the meeting (with the requirement that, for the entire meeting, all participant cameras be on and the full name of the participant be visible on screen). A member participating in a video conference meeting by this means is considered to be present in person at the meeting.

2. Schedule

There will be a minimum of six (6) regular meetings per year or such other number as the Executive Board may determine from time to time (“Principals’ Meetings”). The Executive Board shall recommend the year’s regular meeting schedule at the first regular meeting of the year for approval by the Full Members. Special Meetings and special vote by email may be called by the President of NAREB, or by a two-thirds (2/3) majority of the total number of Full Members. Email votes must have a majority membership response.

3. Notice

Written notice of each meeting shall be sent to each Full Member seven (7) days prior to the meeting. Notice may be sent by mail, email, text message or via any future technology that emerges and is Board approved. In each case notice will be addressed or directed to the Full Member's usual or last known business or residential address, e-mail or other electronic, as the case may be, as appears in NAREB’s records. In the event that the Executive Board determines the existence of an emergency requiring action by the Full Members, the Executive Board may give notice of an emergency meeting in any manner the Executive Board determines to be reasonable under the circumstances. Whenever notice of a meeting is required, such notice need not be given: (i) to any Full Member if a written waiver of notice, executed by the Full Member (or such Member's authorized agent) before or after the meeting, is filed with the records of the meeting; or (ii) to any Full Member who attends the meeting without protesting prior to the commencement of the meeting the lack of notice to that Full Member. A waiver of notice need not specify the purposes of the meeting.

4. Voting

Full Members shall have the power to vote upon any and all issues properly before any Principals Meeting, and each Full Member shall have one vote. When a quorum is present at any meeting, a plurality of the votes properly cast by Full Members present upon any question shall decide the question, except when a larger vote is required by law, by the Articles of Organization or by these Bylaws. No ballot shall be required for any election unless requested by a Full Member present at the meeting and entitled to vote in the election.

5. Supermajority Vote

A two-thirds vote of a quorum is required to amend or restate the Articles of Organization; to change the purposes or name of NAREB or authorize a restatement of the Articles of Organization; to sell, lease, exchange or otherwise dispose of all or substantially all the assets of NAREB; to dissolve NAREB; or as otherwise specified in these Bylaws.

SECTION 3.2 ATTENDANCE REQUIREMENT

All Full Members must attend, in person or via video conference, as the case may be, a minimum of three (3) Principal's meetings per calendar year (or, if there are fewer than three (3) Principal's meetings in any calendar year, all the Principals' meetings held that year). If two or more Full Members are Principals of the same brokerage firm, then attendance by one of those Full Members of the firm shall be deemed to have met the attendance requirement for the other Full Members of that firm.

SECTION 3.3 DESIGNEE AND ASSIGNMENT OF VOTING RIGHTS

A Full Member may designate a non-voting observer who is an Affiliate Member of NAREB to attend a meeting that the Full Member does not attend. However, no such designation shall count toward the Full Member's meeting attendance requirement in Section 3.2. Designees shall not be counted toward a quorum.

SECTION 3.4 DETERMINATION OF ATTENDANCE

If the meeting is in person, the Secretary will provide an attendance sheet for each Full Member to sign, recording their presence. Any failure of a Full Member to sign the attendance sheet will result in that Full Member being recorded as absent.

SECTION 3.5 NON-COMPLIANCE

Any Full Member who fails to meet the meeting attendance requirement in Section 3.2 as of the end of any calendar year will immediately have their membership status, and that of the firm or entity of which they are a Principal, as well as their Affiliate Members suspended for a minimum of one calendar year. No refund shall be due for any period of suspension.

Any Full Member in good standing (that is, a Full Member who has not been suspended) can submit to NAREB for a vote at a regular meeting, as to whether another Full Member who has not met the attendance requirement for the prior calendar year should have its suspension waived for good reason provided to NAREB. No such waiver shall be granted more than once in any five (5) year period.

SECTION 3.6 QUORUM

A quorum at a meeting shall consist of one-third (1/3) of the Full Members, unless otherwise specified in these By-laws.

ARTICLE IV – EXECUTIVE BOARD

SECTION 4.1 EXECUTIVE BOARD

The members of NAREB delegate responsibility for day-to-day operations to the Executive Board. The Executive Board is responsible for developing and overseeing the implementation of overall policy and direction of the organization. The Executive Board shall have up to seven (7) members consisting of the president, vice-president, the most recent past president (or, if that person is unable or unwilling to serve, such other person as may be designed by the other members of the Executive Board), secretary, treasurer and two (2) members-at-large. Members of the Executive Board shall not receive compensation for their services but shall be reimbursed for their reasonable expenses.

SECTION 4.2 ELECTIONS

Executive Board elections shall be held annually. The President shall, at the third to last regularly scheduled meeting of the calendar year of NAREB, appoint a Nominating Committee. At the second to last regularly scheduled meeting of the year, the Nominating Committee shall propose to the Full Members a slate of nominees for all elective offices. Additional nominations may be made and seconded from the floor. At the last regularly scheduled meeting of the calendar year, a vote shall be taken to adopt the Nominating Committee's slate of nominees for all uncontested offices or positions. For any contested office or position, a vote by written ballot shall be conducted forthwith with a simple majority of the voting members present required for election. If no individual receives a majority for the office/position, the two individuals with the highest number of votes shall participate in a runoff by written ballot with the individual who receives a majority vote being elected. Ballots are to be counted by the Secretary and the results posted forthwith.

SECTION 4.3 TERM OF OFFICE

The term of office of the Executive Board shall be for one year commencing at the first meeting of the calendar year.

SECTION 4.4 QUORUM; VOTING

A majority of the Executive Board shall constitute a quorum. At any meeting at which there is a quorum, any matter to be acted upon shall be decided by the affirmative vote of a majority of the members of the Executive Board, unless otherwise provided by law, these By-Laws or the Articles of Organization.

SECTION 4.5 MEETINGS; NOTICE

Regular meetings of the Executive Board shall be held at such time as the Executive Board or President may determine. Special meetings of the Executive Board may be held at any time. Special meetings may be called by the President or by any three (3) members of the Executive Board. All members of the Executive Board shall be notified of any and all newly scheduled meetings or dates at least one (1) day prior to the newly scheduled meeting date, in the same manner as set forth above for notices of meetings of Members. The Executive Board shall meet

at the place described in the notice applicable to the particular meeting. Any meeting of the Executive Board may be adjourned to any other time and to any other place permitted by these Bylaws by the members of the Executive Board present or represented at the meeting, although less than a quorum, or by any officer entitled to preside or to act as clerk of such meeting, if no member of the Executive Board is present or represented. It shall not be necessary to notify any member of the Executive Board of any adjournment. Any business which could have been transacted at any meeting of the Executive Board as originally called may be transacted at the reconvened meeting thereof. Any or all members of the Executive Board may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all members of the Executive Board participating may simultaneously hear each other during the meeting. A member of the Executive Board participating in a meeting by this means is considered to be present in person at the meeting.

SECTION 4.6 ACTION BY WRITTEN CONSENT

Any action required or permitted to be taken at any meeting of the Executive Board may be taken without a meeting if all the members of the Executive Board consent to the action in writing, and the written consents are filed with the records of the meetings of the Executive Board. The action shall be evidenced by one or more written consents that describe the action taken, are signed by the members of the Executive Board, bear the date of the signature of each member of the Executive Board and are delivered to the Secretary for inclusion with the records of meetings. Any such action by written consent shall be treated for all purposes as a vote at a meeting.

SECTION 4.7 EXECUTIVE BOARD MEMBERS; DUTIES OF OFFICERS

Only Full Members in good standing may hold a position on the Executive Board or serve as an officer. No more than one Full Member affiliated with any given brokerage firm may hold a position on the Executive Board or serve as an officer.

The officers of NAREB shall be the President, Vice President, Secretary and Treasurer. They shall have the powers set forth below and such other powers as are conferred upon them by the Executive Board.

The President shall convene meetings of the Executive Board. The President shall act as chair of Executive Board and member meetings.

The Vice President shall assist the President in their duties. In the absence or disability of the President, the Vice President shall perform such duties.

The Secretary shall assist in keeping records for the meetings including sending out meeting announcements, distributing copies of minutes and the agenda to each member, and assuring that non-financial corporate records are maintained. Additionally, the Secretary shall provide for and maintain records of attendance as outlined within Article III and shall count ballots for election of the Executive Board as provided in Article IV, Section 4.2. The Secretary shall be the clerk of NAREB and shall be a Massachusetts resident.

The Treasurer shall: (1) prepare a budget for approval by the Full Members; (2) develop fundraising plans, as necessary; and (3) make financial information available to the members; (4) assure that financial corporate records are maintained, including assignment, collection and recording of dues, application fees and fines, as outlined within these By-Laws; (5) review the budget and expenditures with the Executive Board and NAREB members; and (6) oversee the preparation and submission of tax returns.

Any officer may be removed from office at any time by a two-thirds vote of members of the Executive Board voting and present at a meeting at which a quorum is present. Any vacancy in any office may be filled for the balance of the term by vote of the Executive Board.

The Executive Board shall have authority to conduct all business of NAREB and shall report to NAREB members at the next meeting of NAREB members.

SECTION 4.8. RESIGNATION, TERMINATION AND ABSENCES

Resignation from the Executive Board or as an officer shall be submitted in writing to the Secretary, or, in the event that the Secretary resigns, to the Vice-President. An Executive Board member may be removed by a two thirds (2/3) vote of the remaining Executive Board members, or by a two thirds (2/3) vote of the total number of Full Members. An Executive Board member who has been absent from more than 4 regular Executive Board meetings in any single calendar year shall automatically relinquish their position and any officer position for the remainder of their term. If a member of the Executive Board resigns or can no longer serve, that position will be filled in the following year; provided, that if an officer resigns or can no longer serve, the Executive Board may fill the vacancy in the office with another existing Executive Board member.

SECTION 4.9. STANDARD OF CARE

Each Member of the Executive Board and each officer of NAREB shall perform their duties in good faith, in a manner they reasonably believes to be in the best interests of NAREB, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing such duties, a member of the Executive Board or officer shall be entitled to rely on information, opinions, reports or records, including financial statements, books of account and other financial records, in each case presented or prepared by or under the supervision of (i) one or more officers or employees of NAREB whom the member of the Executive Board or officer reasonably believes to be reliable and competent in the matters presented, (ii) counsel, public accountants or other persons, as to matters which member of the Executive Board or officer reasonably believes to be within such person's professional or expert competence, or (iii) a duly constituted committee upon which the member of the Executive Board or officer does not serve, as to matters within its delegated authority, which committee the member of the Executive Board or officer reasonably believes to merit confidence, but they shall not be considered to be acting in good faith if they have knowledge concerning the matter in question that would cause such reliance to be unwarranted.

ARTICLE V – STANDING AND TEMPORARY COMMITTEES

SECTION 5.1 ADDITIONAL COMMITTEES

The Executive Board may create additional Committees, either Temporary or Standing, as needed. These Committees may be composed of Full and/or Affiliate Members selected at the discretion of the Executive Board.

SECTION 5.2 CONSTITUTION AND MEMBERSHIP

Standing Committees

1. Standing Committees are committees that have ongoing responsibilities.
2. Standing Committees shall report to NAREB at the regular meetings after a Committee meeting.
3. Standing Committees shall have a minimum of three (3) members unless otherwise approved by the Executive Board or as otherwise described herein. There shall be at least one Full Member on each committee, with other members consisting of either Full or Affiliate Members as the Executive Board may determine.

4. Unless otherwise described herein, the membership term for each Standing Committee member will be one year, commencing in January.
5. Except as provided herein, Standing Committees shall meet in January to elect a chairperson and secretary, as well as a vice chairperson if it deems appropriate, all of whom will each serve for one year.
6. Each Standing Committee shall hold such regular meetings as its members may determine, but at least quarterly. Special meetings may be called by the chairperson or by a 2/3 majority of the committee members. All meetings will be held at a designated time and location, preferably in person. The chairperson shall preside at all meetings, regular, special or otherwise. In her/his absence, the vice chairperson, if any, shall preside; in the absence of both chairperson and any vice chairperson, a temporary chairperson of the meeting from the membership of the Standing Committee shall be named by the chairperson in advance or, upon his/her failure to do so, by vote of Standing Committee members present.
7. The Executive Board will solicit requests for committee membership at the second to last regularly scheduled meeting of the year. The Executive Board will then propose a slate of members to be confirmed by a vote of NAREB Members at the last regularly scheduled meeting of the year.
8. In the event that a committee member resigns or cannot serve, the Executive Board may choose a member to replace that member and finish their term.
9. Standing Committees may be disbanded upon approval of NAREB and confirmation by vote of the Full Members at a regularly scheduled meeting.
10. The current President shall be an ex-officio member of all Standing Committees.

Temporary Committees

Temporary Committees are formed to perform a specific task in a finite time frame, anticipated to be 12 months or less.

Temporary Committees shall be created at the direction of the Executive Board and confirmed by a vote of the Full Members at a regular monthly meeting.

Temporary Committees shall have no less than three (3) members and no more than five (5) members. There shall be at least one Full Member on each Temporary Committee.

Temporary Committees shall report on their activities at a monthly NAREB meeting.

Committee Operations.

Quorum. At any meeting of a committee, a quorum for the transaction of business shall consist of a majority of the current members appearing in person.

Action at Meeting. Except as otherwise required by law or these By-Laws, any matter coming before any meeting of a committee at which a quorum is present shall be adopted as the act and deed of the committee if approved by the vote of a majority of those present at such meeting and entitled to vote.

Electronic Participation. The chairperson may permit any or all committee members to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all committee members participating may simultaneously hear each other during the meeting. A committee member participating in a meeting by this means is considered to be present in person at the meeting

Minutes. Each committee shall keep a written record of the proceedings of official meetings that is available for review by NAREB members upon request.

Attendance. Any committee member who fails to attend at least half of the regular or special meetings of the committee during the calendar year, without having first been properly excused, shall be construed as having resigned from the committee.

ARTICLE VI – FINANCE

SECTION 6.1 DETERMINATION OF BUDGET

NAREB’s fiscal year shall be from January 1 through December 31. Upon recommendation from the Executive Board the annual budget shall be determined by the Full Members of NAREB for the following year. Recommendation and approval of the annual budget shall occur on or before the last calendar year meeting. All expenditures must be within budgeted amounts. Annual reports are required to be submitted to the Executive Board by the Treasurer, showing income, expenditures and pending income. The financial records of the organization shall be made available to the membership on request.

ARTICLE VII – GRIEVANCES, MEMBER DISPUTES, AND/OR ETHICS VIOLATIONS

SECTION 7.1 PURPOSE

NAREB strives for cooperation among all of its members. Grievance, dispute and/or ethics violation procedures are intended to provide fair, timely and confidential resolution.

SECTION 7.2. THIRD PARTY ARBITRATION

NAREB will maintain a contract with a third party arbitrator to handle intra-member grievances, disputes and/or violations of the Code of Ethics. In the event of an alleged violation of the Code of Ethics by any member, a written complaint for the violation (“Grievance”) shall be filed with the Secretary of NAREB by the complaining party (“Complainant”). The Grievance shall be accompanied by a filing fee of two hundred dollars (\$200) payable to NAREB, which fee may be returned if the Complainant decides not to move forward with the Grievance. The Secretary will then forward the complaint to the Executive Board and to the third party arbitrator for resolution. The proceedings will be conducted in accordance with the procedures set by the third party arbitrator and the order of the arbitrator shall be final and binding on the parties.

ARTICLE VIII - INDEMNIFICATION

SECTION 8.1. RIGHT TO INDEMNIFICATION

NAREB shall, to the extent legally permissible and only to the extent that the status of NAREB as an organization exempt under Section 501(c)(6) of the Internal Revenue Code is not affected thereby, indemnify each Indemnified Person (as hereinafter defined) of NAREB, against all liabilities and expenses (including judgments, awards, amounts paid in settlement, and reasonable fees and disbursements of counsel) imposed upon, or reasonably incurred by, such person in connection with or resulting from any Claim (as hereinafter defined) in which he or she may become involved as a party or otherwise, by reason of being or having been Indemnified Person, or by reason of any alleged acts or omissions in such capacity. No indemnification shall be provided to any person with respect to any matter as to which he or she shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of NAREB, or with respect to a criminal matter where they had reasonable cause to believe that their conduct was unlawful. Furthermore, no indemnification shall be provided to any person with respect to any Claim by or in the right of NAREB if such

person is adjudicated to be liable to NAREB or makes a settlement payment to NAREB, unless a court otherwise determines that indemnification is appropriate under the circumstances.

SECTION 8.2 ADVANCE PAYMENTS

Expenses incurred by an Indemnified Person in defending a Claim may be paid by NAREB in advance of the final disposition of such Claim upon receipt of an undertaking by the person indemnified to repay such payment if they shall be adjudicated to be ineligible for indemnification under this Section, which undertaking shall be an unlimited general obligation but need not be secured and may be accepted without regard to the financial ability of the person to make repayment.

SECTION 8.3 DETERMINATIONS; PAYMENTS

All advance and other payments of any indemnification under this Section shall be authorized by any one of the following procedures:

1. The Executive Board shall find, by vote of a disinterested quorum of its members (without counting the vote or presence for purposes of a quorum of any person who is claiming such indemnification or is a party to the Claim in question), that the person claiming such indemnification is eligible to receive the same and, in the case of a settlement, that the amount paid in settlement, or the portion thereof as to which indemnification is to be given, is reasonable under the circumstances; or
2. Independent legal counsel (who may be the regular counsel of NAREB) shall have delivered to NAREB their written opinion to the same effect; or
3. The Full Members of the Council by vote of a disinterested quorum (i.e., without counting the vote or presence for purposes of a quorum of any person who is claiming such indemnification or is a party to the Claim in question), shall have specifically determined that such person is eligible for such indemnification; or
4. A court having jurisdiction shall have entered a final order ordering the payment of such indemnification.

8.4 DEFINITIONS

For purposes of this Article VIII:

“Claim” means any threatened or actual administrative, civil or criminal claim, action, suit, investigation or proceeding, whether brought by or in the right of NAREB, by another organization in which it has an interest, by a third party or otherwise, including a proceeding in which Indemnified Person is successful in seeking indemnification under this Article.

“Indemnified Person” means any person who serves or has served as a member of the Executive Board or officer of NAREB; any person who serves or has served at the request of NAREB as the trustee or administrator of any employee benefit plan or program of NAREB, or as a member, director, officer, trustee, employee, committee member or other agent of another organization in which NAREB has an interest; and their respective heirs, executors, administrators and assigns.

SECTION 8.5 EXCLUSIVITY

The provisions for indemnification hereunder shall not limit any right of indemnification existing independently of this Article.

SECTION 8.6 INSURANCE

The Executive Board shall have power to authorize the purchase and maintenance of insurance at the expense of NAREB for its benefit and the benefit of Indemnified Persons against any liability for indemnification hereunder, whether or not NAREB would have the power to furnish such indemnification under this Article.

SECTION 8.7 AMENDMENT OR REPEAL OF ARTICLE

The provisions of this Article VIII may be amended or repealed at any time by the Members; provided, however, that no such amendment or repeal which adversely affects the rights of an Indemnified Person under this Article with respect to his or her acts or omissions at any time prior to such amendment or repeal shall apply to that person without his or her consent.

ARTICLE IX – AMENDMENTS

SECTION 9.1 AUTHORIZATION AND PROCESS

Subject to Article VIII, Section 8.7, these By-Laws may be amended from time to time by a two-thirds majority of NAREB's Full Membership.

Proposed amendments must be submitted by the Executive Board to the Secretary to be distributed with the monthly meeting announcements.

Proposed amendments will be reviewed at a regular meeting or a special meeting called for that purpose and voted on at the next regular meeting.

All enacted amendments shall be distributed (email is acceptable) to the full membership of NAREB.

ARTICLE X – MISCELLANEOUS PROVISIONS

SECTION 10.1 RULES AND REGULATIONS

NAREB may promulgate any such rules and regulations that the Executive Board deems proper and consistent with these By-Laws for the operations of NAREB and its committee members. Said rules and regulations will be voted on and distributed based on procedures set forth in Article IX above.

SECTION 10.2 SEVERABILITY

In the event that a court of competent jurisdiction determines that any portion of these By-Laws is in violation of any law, rule or regulation, only the portions of the By-Laws that violate such law, rule or regulation shall be stricken. All portions of these By-Laws that do not violate any such law, rule or regulation shall continue in full force and effect. Further, any court order striking any portion of these By-Laws shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of NAREB under these By-Laws.

ADDENDUM A

CODE OF ETHICS

Statement of Purpose

This Code of Ethics aspires to standards of conduct that are higher than duties that members may owe clients, customers and one another as a matter of Massachusetts law. The Code of Ethics is intended to impose ethical obligations, rather than legal duties and whenever there may be a conflict between duties owed as a matter of law and ethical obligations set forth herein, the duties owed as a matter of law shall control.

By virtue of membership in NAREB, each member shall strive to conduct business in accordance with the letter and spirit of the principles set forth in this Code.

Article 1. Upon agreement to act as agent for a buyer, seller, landlord or tenant as a client, a member shall place the lawful interests of the client ahead of the member's own interests. The fiduciary duties of obedience, loyalty and confidentiality owed to a client shall not relieve a member from the obligation to treat all non-clients fairly. A member who has been retained to manage or maintain the property of a client shall exercise reasonable care to protect the property from foreseeable harm.

Article 2. A member has a duty to disclose to non-clients material defects in a property about which a member has actual knowledge. Information concerning a known material defect that is not readily apparent to a non-client is not confidential. A member shall have no duty to disclose a matter that is beyond the scope of a real estate license or about which the member merely has suspicions, but lacks knowledge. When a member has suspicion the duty of fairness owed a nonclient shall not create an obligation to discover the true facts.

Article 3. Members shall cooperate with other members with regard to the sale, lease or exchange of property, except when instructed otherwise by the member's client or when cooperation is not in the client's interest. The obligation to cooperate with other NAREB members shall not create an obligation to cooperate with non-members nor create an obligation to offer compensation, fees or commissions for services of cooperating members. Members shall advise clients of whether compensation will be offered to cooperating members and, if so, the amount in dollars or percent. In the event that the fee that a member is expected to receive from a client will vary depending upon whether the member or an affiliate of that member procures the buyer, the existence (but not the amount) of the variable fee shall be disclosed to other members. Compensation shall be paid solely to another broker and not directly to individuals affiliated with another broker. Whenever an offer has been accepted and a transaction is pending, members shall advise other brokers of that fact.

Article 4. When a member buys, sells or rents a property in which the member, the member's next of kin or an affiliate in the member's brokerage firm have or will have an ownership interest or right of occupancy, written notice shall be given to the other party to the transaction prior to the time that an offer has been accepted or an agreement has been made. That written disclosure may be provided either to the other party to the transaction or to a representative for the other party and acknowledgment of receipt shall be requested. Rentals of sixty (60) days or less shall be excluded from this Article.

Article 5. Before providing any professional services with regard to a property or its value in which the member, the member's next of kin or an affiliate in the member's brokerage firm have or will have an ownership interest or right of occupancy, written notice shall be given.

Article 6. Members shall not accept a fee, referral fee, commission, financial benefit or other remuneration from the referral of a client to services or products of others without disclosing the arrangement and financial benefit to the client and obtaining the client's consent. Prior to referring a client to another person or entity in which the member or member's next of kin has an ownership interest, disclosure shall be made to the client.

Article 7. Members shall not accept a fee, commission, financial benefit or other remuneration in a transaction from a person other than the member's client without disclosing the financial benefit to each client and obtaining each client's consent.

Article 8. Funds held by members in trust for another person, including, but not limited to, earnest money, deposits, escrow accounts and other monies of clients and non-clients, shall be kept in an account designated for that purpose and separate from any funds of the member.

Article 9. Members shall reasonably endeavor to reduce to writing the terms, provisions and conditions of all offers, counteroffers and agreements relating to the purchase, sale and lease of property as well as all amendments, modifications and extensions. Upon being signed by all parties, a copy shall be provided to each party. To the extent permitted by law and authorized by the parties, documents may be signed, delivered or provided by facsimile or in digital or electronic form.

Article 10. Members shall not refuse to provide equal professional services or deny equal treatment to any person based upon consideration of race, color, religion, national origin, gender, disability, family status, receipt of public assistance, sexual orientation. No member shall market any property or solicit any agreement for professional services that indicates a preference for or against a person based upon the foregoing characteristics. Neither shall members engage in employment practices that deny equal treatment based upon any of the foregoing characteristics.

Article 11. Members shall not solicit or agree to provide professional services in any area where they do not possess appropriate education, qualifications or experience, unless informed consent is obtained in writing from the person to whom the services are provided. This includes any service provided in real estate brokerage or property management, including brokerage of property for residential, commercial or industrial purposes, real estate counseling, property appraisal, property management or tax deferred exchanges. Services in those areas may be provided if the member does so with the assistance of a person having the requisite education, qualifications or experience and prompt disclosure is made to the person for whom the services are performed.

Article 12. Members shall not market any property for sale or rent without appropriate authorization and without identifying the name of the listing real estate broker or brokerage company. Signs offering a property for sale or rent shall not be placed on any property without authorization of the owner and shall conform to the rules of the Nantucket Historic District Commission, as may be amended from time to time. An Affiliate Member who does not hold a license as a real estate broker shall not advertise solely under the person's own name, but shall identify the broker or brokerage company with whom the person is affiliated. At all times members shall reasonably endeavor to ensure that their marketing is neither deceptive nor misleading and shall take reasonable steps to ensure that information in marketing materials and on any web site is current.

Article 13. Members shall not provide either legal services or legal advice or otherwise engage in the practice of law unless being a current member of the bar of the Commonwealth of Massachusetts in good standing. Members may fill in the blanks on standard forms for the sale or rental of real property in accordance with the instructions or agreement of the parties and may provide drafts of such documents for review by an attorney. Members shall not recommend against retaining or consulting with an attorney with regard to any transaction.

Article 14. When a member is charged with violating any article of this Code of Ethics or is asked to provide information or testimony by the NAREB President, the Executive Board or other committees or any hearing panel or appellate panel, the member shall do so. Members shall not make any unauthorized disclosure of information

about any charge of violation of the Code of Ethics made against another member or about any ethics hearing, finding, appeal or sanction or about any arbitration of a dispute between members. Members shall not willfully impede or obstruct any proceeding with regard to the filing or hearing of a violation of the Code of Ethics or any arbitration proceeding. Violations of the Code of Ethics are subject to disciplinary action as authorized from time to time pursuant to the By-Laws or by the Executive Board.

Article 15. Members shall not willfully or recklessly publish or republish any false or misleading communication about any other member or about the business practices of any other member, either orally, in writing or by any digital or electronic means, nor authorize anyone else to do so. Members shall not knowingly or recklessly file a charge of violation of the Code of Ethics that is knowingly insubstantial, frivolous and lacking good faith.

Article 16. Members shall not intentionally interfere with a current exclusive brokerage agreement that another member has with a client, whether the client is a seller, buyer, landlord or tenant. Members shall not solicit a listing for either sale or rent from the owner of a property that is subject to a current existing agreement between an owner and a member. Neither shall a member's participation or subscription in any listing service nor the posting of "for sale" or "for rent" signs be utilized to identify clients of other members for solicitation. This provision does not limit a member from marketing services through public advertisements or through general announcements, general emails or postal mailings. This provision does not prohibit a member from contacting clients of other members to offer services that are different in kind from those services that are the subject of a current agreement between the client and another member (for example, property management rather than brokerage). If a member is contacted by a client of another member who is subject to a current exclusive agreement with the other member the member may discuss providing brokerage services to commence upon expiration of the current agreement, provided that the contact was initiated by the client and was not the result of a targeted communication in violation this provision. When affiliation of an Affiliate Member and a member-broker is terminated, either voluntarily or involuntarily, the Affiliate Member shall not solicit owners who are subject to current exclusive agreements with the member-broker to terminate that agreement. The foregoing provision may be varied by express agreement between the member-broker and the Affiliate Member that provides for termination or assignment.

Article 17. Procuring cause disputes between members with different brokerage firms shall be arbitrated in accordance with the rules and procedures established by NAREB and litigation shall not be commenced. In the event that a client or customer of a member agrees to submit a dispute with a member to NAREB for arbitration, the dispute shall be arbitrated in accordance with the rules and procedures established by NAREB. This provision shall not require arbitration if all parties notify NAREB of their decision not to arbitrate.