

BYLAWS

of the

SOUTH METRO DENVER REALTOR® ASSOCIATION, INC.



Table of Contents

ARTICLE I – NAME.....	3
ARTICLE II – OBJECTIVES.....	3
ARTICLE III – JURISDICTION.....	4
ARTICLE IV – MEMBERSHIP	5
ARTICLE V – QUALIFICATION AND ELECTION	8
ARTICLE VI – PRIVILEGES AND OBLIGATIONS	14
ARTICLE VII – PROFESSIONAL STANDARDS AND ARBITRATION	18
ARTICLE VIII – USE OF THE TERMS REALTOR® AND REALTORS®	19
ARTICLE IX – STATE AND NATIONAL MEMBERSHIPS.....	20
ARTICLE X – DUES AND ASSESSMENTS	21
ARTICLE XI – OFFICERS AND DIRECTORS	24
ARTICLE XII– MEETINGS.....	33
ARTICLE XIII – COMMITTEES.....	34
ARTICLE XIV – FISCAL AND ELECTIVE YEAR.....	35
ARTICLE XV – RULES OF ORDER	35
ARTICLE XVI – AMENDMENTS.....	35
ARTICLE XVII – DISSOLUTION.....	35
ARTICLE XVIII - MULTIPLE LISTING SERVICE.....	35

**BYLAWS of the
SOUTH METRO DENVER REALTOR® ASSOCIATION, INC.
Adopted 2017**

ARTICLE I – NAME

- Section 1.** **Name.** The name of this organization shall be the South Metro Denver REALTOR® Association, Inc. (“SMDRA”), hereinafter referred to as the “Association.”
- Section 2.** **REALTORS®.** Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® (“NAR”) 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 interests of home and other real property ownership.
- Section 5.** To unite those engaged in the real estate profession in this community with the Colorado Association of REALTORS® (“CAR”) 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® is:

Northern Boundary: Beginning at the corner of South Alkire Street and West Bowles Avenue, thence east on West Bowles Avenue to South Carr Street, thence South on South Carr Street along the Denver County line to a line described as the Denver County line south of Johnson Lake, thence east along said line to South Pierce Street, thence north on South Pierce Street to West Bowles Avenue, thence east on West Bowles Avenue to Sheridan Boulevard, thence north on Sheridan Boulevard to Sky Trail Drive, thence northerly on Sky Trail Drive to Bow Mar Drive, thence northwesterly on Bow Mar Drive to West Quincy Avenue, thence east on West Quincy Avenue to South Sheridan Boulevard, thence South on South Sheridan Boulevard to Wagon Trail Drive, thence East on Wagon Trail Drive to Prospect Drive, thence South on Prospect Drive to West Monmouth Avenue, thence East on West Monmouth Avenue to South Meade Street, thence northwesterly on South Meade Street to West Chenango Avenue, thence east on West Chenango Avenue to South Federal Blvd., Thence north on South Federal Boulevard to West Union Avenue, thence West on West Union Avenue to South Lowell Avenue, thence north on South Lowell Avenue to West Quincy Avenue, thence east on West Quincy Avenue to South Irving Street, thence north on South Irving Street to West Oxford Avenue, thence west on West Oxford Avenue to South King Street extended, thence north on South King Street extended to West Nassau Avenue extended, thence west on West Nassau Avenue extended to South Lowell Boulevard, thence north on South Lowell Boulevard to West Floyd Avenue, thence east on West Floyd Avenue to South Decatur Street, thence north on South Decatur Street to West Dartmouth Avenue, thence east on W. Dartmouth Avenue to South Zuni Street, thence north on South Zuni Street to West Evans Avenue, thence east on West Evans Avenue to South Raritan Street, thence south on South Raritan Street to West Warren Avenue, thence east on West Warren Avenue to South Pecos Street, thence south on South Pecos Street to West Dartmouth Avenue, thence east on West Dartmouth Avenue to South Platte River Drive, thence north on South Platte River Drive to West Yale Avenue, thence east on West Yale Avenue to South Downing Street, thence south on South Downing Street to East Amherst Avenue, thence east on East Amherst Avenue to South Franklin Street, thence south on South Franklin Street to East Dartmouth Avenue, thence east on East Dartmouth to South Vine Street, thence north on South Vine Street to the Denver County line, thence east on the Denver County line to South University Boulevard, thence south on South University Boulevard to East Floyd Avenue, thence east on East Floyd Avenue to South Fillmore Street, thence south on South Fillmore Street to East Floyd Drive, thence southwesterly on East Floyd Drive to South Detroit Street, thence south on South Detroit Street to East Hampden Avenue, thence east on East Hampden Avenue to South Dahlia Street, thence south on South Dahlia Street to East Mansfield Avenue, thence east on East Mansfield Avenue to South Happy Canyon Road, thence southeasterly on

South Happy Canyon Road to South Monaco Street, thence south on South Monaco Street to East Belleview Avenue, thence east on East Belleview Avenue to South Yosemite Street, thence north on South Yosemite Street to Interstate 225, thence northeasterly on Interstate 225 to South Alton Street, thence north on South Alton Street to East Hampden Avenue, thence east on East Hampden Avenue to the westerly boundary of John F. Kennedy Golf Course which is also the Denver County line, thence southerly on that Denver County line to Interstate 225, thence northeasterly on I-225 to Hampden Avenue (extended), thence east on Hampden Avenue (extended) to South Potomac Street (extended); Eastern Boundary: thence south on Potomac Street (extended) to East Belleview Road extended, thence East on East Belleview Road extended to Smoky Hill Road, thence southeasterly on Smoky Hill Road to Gun Club Road, thence north on Gun Club Road to East Orchard Road extended, thence East on East Orchard Road extended to the east line of Section 24, Township 5 South, Range 65 West of the 6th p.m., thence south along said section line to the southernmost Arapahoe County line and the northernmost Douglas County line; Southern Boundary: thence west along the southernmost Arapahoe County line and the northernmost Douglas County line to Sheridan Boulevard, thence north on South Sheridan Boulevard to Interstate 470, thence southwesterly along I-470 to Deer Creek Canyon Road, thence westerly along Deer Creek Canyon Road to south Alkire Street extended; Western Boundary: thence north along South Alkire Street extended to West Bowles Avenue, which is the point of beginning.

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 rights 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 Colorado 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 an Association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section (b) 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 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 (b) of Article IV.

- (2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® member and meet the qualifications set out in Article V.
- (3) Franchise REALTOR® Membership. Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.
- (4) Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchises 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 board, state association and National Association.
- (5) **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.

- (6) **Designated REALTOR® Members.** Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of Board/ 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) **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.
- (c) **Affiliate Members.** Affiliate Members shall be individuals representing a firm or acting individually in a business related to the real estate profession such as but not limited to title insurance and lending institutions who have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.
- (d) **Public Service Members.** Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.
- (e) **Honorary Members.** Honorary Members shall be individuals who are not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public. The Board of Directors elects Honorary Members.
- (f) **Student Members.** Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

ARTICLE V – QUALIFICATION AND ELECTION

Section 1. Application.

- (a) An 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 applicants; (1) that applicants agree as a condition to membership to thoroughly familiarize themselves with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitutions, Bylaws, and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® or Secondary Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate (or mediate if required by the association) 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 OF REALTORS®, as from time to time amended, as amended and adopted by the Association, and (2) that applicant consents that the Association, may invite and receive information and comment 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 and Regulations, and Code of Ethics referred to above.

Section 2. Qualification: For associations that maintain a license requirement for REALTOR® membership.

- (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)

Such course of instruction must be completed within ninety (90) days of the date of application to the Association and applicants shall attend an induction ceremony and take the pledge of membership within ninety (90) days of the date of approval of the applicant by the Board of Directors of the Association. Failure to meet any of these requirements of membership will result in the applicant not being accepted into REALTOR® Membership. Former members who have had their membership terminated may apply for reinstatement in the manner prescribed for new applications for membership, after making payment in full of all accounts due the Association as of the date of termination.

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 or Association of REALTORS® for violation of the Code of Ethics.

- (b) Individuals who are actively engaged in the real estate profession **other than** as sole proprietors, principals, 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 license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, have no record of official sanctions involving unprofessional conduct, shall complete a course of instruction concerning 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 and shall agree in writing that if elected to membership the applicant will abide by the Code of Ethics.

Such course of instruction must be completed within ninety (90) days of the date of application to the Association and applicants shall attend an induction ceremony and take the pledge of membership within ninety (90) days of the date of approval of the applicant by the Board of Directors of the Association. Failure to meet any of these requirements of membership will result in the applicant not being accepted into REALTOR® Membership. Former members who have had their membership terminated may apply for reinstatement in the manner prescribed for new applications for membership, after making payment in full of all accounts due the Association as of the date of termination.

- (c) The Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:
- (1) All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years
 - (2) Pending ethics complaints (or hearings)
 - (3) Unsatisfied discipline pending
 - (4) Pending arbitration requests (or hearings)
 - (5) Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.
 - (6) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

“Provisional” membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTORS® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

- (d) Applicants for Secondary Membership shall supply evidence that applicant (1) is engaged in the real estate profession; (2) holds the required form of membership in such Association; and (3) will agree, if elected to membership, to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and the Constitution, Bylaws, and Rules and Regulations of the Local Association, the State Association, and the National Association of REALTORS®, as the same may be amended from time to time.

Section 3. Election

The procedure for election to membership shall be as follows:

- (a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the board of directors.
- (b) If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 90 days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.
- (c) The board of directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the board of directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The board of directors may also have counsel present. The board of directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.
- (d) If the board of directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Adopted 1/98, Amended 1/05, Amended 1/17)

Section 4. New Member Code of Ethics Orientation.

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less.

Failure to satisfy this requirement within 90 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®. (Adopted 1/01)

Section 5. REALTOR Code of Ethics Training

Effective January 1, 2017, through December 31, 2018, and for successive two year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any two (2)-year cycle shall not be required to complete additional ethics training until a new two (2)-year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any two (2)-year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, Amended 11/08, Amended 11/2014)

Section 6. Status Changes.

- (a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Board 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 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 Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.
- (b) A REALTOR® who is transferring their license from one firm comprised of REALTOR® principles to another firm comprised of REALTOR® principles 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.
- (c) The Board of Directors, at its discretion, may waive any qualification, which the applicant has already fulfilled in accordance with the Board's Bylaws.)
- (d) Any application fee related to a change in membership status shall be reduced by amount equal to any application fee previously paid by the applicant.
- (e) Dues shall be prorated from the first day of the month in which the member is notified of election by the Board of Directors and shall be based on the new membership 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 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 and Association Rules and Regulations consistent with the Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics or 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, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board 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, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.
- 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 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 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 plus interest thereon as established by the Board of Directors from time to time.
- Section 5.** If a member resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once

filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®. (Amended 5/16)

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 sole proprietor in a firm, a partner in a partnership or an officer in a 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, or management control is relinquished, 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, or unless the REALTOR® who is suspended or expelled removes himself or herself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification shall be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor associated with a member, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed 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 unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, 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 other than a sole proprietor in a firm, partner in a partnership, or an officer of a 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(b) 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(b) 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 Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR® or the REALTOR® logo, to serve as Chairman of the Board 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 Members. Honorary Membership shall confer only the right to attend meetings and participate in discussions.

Section 11 Student Members. Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 12. Certification of REALTORS®. Designated REALTOR® members of the Association shall certify to the Association office prior to the annual dues billing, on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR's® office(s) and shall designate a primary

Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR's® office(s) and if Designated REALTOR® Dues have been paid to another Board based on said non-member licensees, the Designated REALTOR® shall identify the 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 30 days of the date of affiliation or severance of the individual. 1

Section 13. Harassment Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association 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 Chairman of the Board (“Chairman”), Chairman-Elect, Vice Chair and/or Past Chairman 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 Chairman, Chairman-Elect or Vice Chair, they may not participate in the proceedings and shall be replaced by the Immediate Past Chairman or, alternatively, by another member of the Board of Directors selected by the highest-ranking officer not named in the complaint.

1 Section 13. Legal Liability Training not used by SMDRA

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 association*, as from time to time amended, which by this reference is made a part of these Bylaws.
- 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 mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of this Association as from time to time amended.
- Section 3.** The responsibility of the association and association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the association, which by this reference is made a part of these Bylaws.
- Section 4.** 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 organization and procedures incident thereto, shall be governed by the Code of Ethics and Arbitration Manual, herein referred to as the "Manual," of the NATIONAL ASSOCIATION OF REALTORS®, as adopted by the Association and as from time to time amended, subject to the following:²
- (a) The provisions of the Colorado Uniform Arbitration Act, Section 13-22-201, ff., C.R.S. 1973, shall apply and the Manual shall be interpreted in a manner which is consistent with the statute.
 - (b) The term REALTOR® ASSOCIATE shall be deleted from the text because it is not applicable in this Association.

² Added by SMDRA Legal Counsel

- (c) Fees and deposits shall be in the amount determined from time to time by the Board of Directors.
- (d) References to “state” or “state law” shall refer to the State of Colorado or the laws of that state as the context may indicate.
- (e) Cases will be heard by members of the South Metro Denver REALTOR® Association's Professional Standards Committee or the Colorado Association of REALTORS® Professional Standards Program.

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*.
- Section 2.** REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and 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® and 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(b) 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. (Amended 1/01)

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 the Colorado Association of REALTORS®. By reasons of the Association's Membership, each REALTOR Member of the Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Colorado Association of REALTORS® 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 of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Colorado Association of REALTORS®.

ARTICLE X – DUES AND ASSESSMENTS

- Section 1. Application Fee.** The Board of Directors may adopt an application fee for REALTOR® Membership in a reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Association upon final approval of the application.
- 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 an amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (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 Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in the state, or 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 a 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 any 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, renting, 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®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

- (b) **REALTOR® Members.** The annual dues of REALTOR® members other than the designated REALTOR® shall be as established annually by the board of directors. (Amended 1/05)

- (c) **Institute Affiliate Members.** The annual dues of each Institute Affiliate Member shall be an amount to 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 (\$105.00). The National Association shall credit \$35.00 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 \$35.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other Association. The National Association shall also credit \$35.00 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) **Affiliate Members.** The annual dues of each Affiliate Member shall be an amount to be determined annually by the Board of Directors.
- (e) **Public Service Members.** The annual dues of each Public Service Member shall be an amount to be determined annually by the Board of Directors.
- (f) **Honorary Members.** Honorary Members shall not be subject to the payment of dues.
- (g) **Student Members.** The annual dues of each Student Member shall be an amount to be determined annually by the Board of Directors.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance on or before the first day of October or such date as is determined annually by the Board of Directors. Dues shall be computed from the first day of the month in which a Member applies to the Association and shall be prorated for the remainder of the year. In the event a broker licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the licensee remains with the Designated REALTOR®'s firm, the dues obligation of the Designated REALTOR® will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments 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 the due date, membership of the nonpaying member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying member shall automatically terminate unless within that time the amount due is paid or payments arrangements acceptable to the Board of Directors have been made. 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/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other rules and regulations of the 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. Deposits and Expenditures. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors and any interest earned shall accrue to the sole benefit of this Association.

Section 6. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 7. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents and Past Treasurers of the National Association or recipients of the Distinguished Service Awards shall be as determined by the Board of Directors.

NOTE: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the association is assessed for a REALTOR® member, times the number of REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® members of the Association. The dues obligation of such individuals to the local association should be reduced to reflect the reduction in the association's dues obligation to the National Association. The Association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the association's obligation to the State Association with respect to such individual. Member Boards should determine whether the dues payable by the association to the State Association are reduced with respect to such individuals. It should be noted that this does not affect a "designated" REALTOR®'s dues obligation to the association with respect to those licensees employed by or affiliated with the "designated" REALTOR who are not members of the local association. (Amended 11/2013)

ARTICLE XI – OFFICERS AND DIRECTORS

Section 1. Officers. The officers of the Association shall be: Chairman, Chairman Elect, Vice Chair and Past Chairman/Corporate Secretary and Treasurer. All Officers except the Past Chairman/Corporate Secretary shall be elected for terms of one year. The outgoing Chairman automatically, without election, becomes the Past Chairman/Corporate Secretary –and a CAR Director the year of and the year following their Chairmanship.

Section 2. Duties of Officers. The duties of officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the secretary/chief staff executive [select one] to keep the records of the association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the

Colorado Association of REALTORS®. (Amended 1/05)

- (a) In the absence of the Chairman, the Chairman-Elect and Past Chairman/Corporate Secretary, in that order, shall perform the Chairman's duties.
- (b) The Board of Directors shall appoint a Chief Executive Officer (CEO) who shall have complete responsibility and authority over the Association staff, including but not limited to, the authority to fill vacancies in staff personnel and to train, discipline, discharge, and assign work to staff personnel. The CEO shall fix the compensation of all other employees, manage financial affairs, and provide financial and other reporting in accord with policies established by the Board of Directors. The CEO shall perform such other tasks as may be assigned to him/her from time to time by the Board of Directors, and shall perform all such other duties as may be necessarily incident to the usual and proper conduct of his/her duties. The CEO shall provide a bond that includes the entire staff and CEO in an amount to be determined by the Board of Directors; the cost shall be paid by the Association. At the discretion of the Board of Directors, the CEO may be appointed or retained under contract for a period not to exceed three years.
- (c) Unless otherwise specifically directed and authorized by the Board of Directors, the spokesperson for the Board of Directors and the Membership is the Chairman. Directors, Committee Chairs, Committee Members, Association Members or Officers other than the Chairman shall have no express, implied, or apparent authority to speak on behalf of the Board of Directors, except in the absence of the Chairman, in which case such responsibilities may be delegated by the Chairman, consistent with the Board of Directors' current governing policies. The CEO may act as spokesperson for the operational organization.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of eleven (11) elected REALTOR® Members plus any holdovers as described in Article XI. Directors shall be elected to serve for terms of three years. Directors may not serve more than two (2) consecutive terms. No individual may simultaneously serve as a Director of more than one of the following entities: South Metro Denver REALTOR® Association, any other local REALTOR® Association, the Colorado Association of REALTORS®, and REcolorado, Inc., except for the Chairman of the Board and the Past-Chairman/Corporate Secretary who shall serve as a CAR Directors and the Past-Chairman / Corporate Secretary may serve as a REColorado Director during the last year of their term as a SMDRA Director.

- (a) If a retiring Chairman is in the final year of his or her term as a Director, the retiring Chairman shall be held over without election for one year succeeding the term of office as Chairman to serve as Past Chairman/Corporate Secretary

and a CAR Director.

- (b) If the Chairman-Elect is in his or her final year of a term as Director, the Chairman-Elect shall be held over without election to serve as Chairman and Past Chairman/Corporate Secretary and a CAR Director.
- (c) In the final year of their terms, Directors may run for Chairman-Elect or Vice Chair of the Board and will be held over without election to fulfill the position to which they are elected.
- (d) In addition to the immunity granted to Directors under Section 13-21-116(2)(b) of the Colorado Revised Statutes, as amended, the personal liability of a Director of the Association for monetary damages for breach of fiduciary duty as a Director is limited to the full extent provided by Colorado law. The Directors of the Association shall not, as such, be liable for the obligations of the Association. No Director shall be liable for actions taken or omissions made in the performance of corporate duties. The Association shall indemnify its Directors to the full extent permitted by law.

Section 4. Election of Officers and Directors

- (a) **Nominating Committee** - The Nominating Committee of the Association shall be chaired by the Chairman-Elect and consist of the Chairman, Chairman-Elect, Vice-Chair, Past Chairman and one member of the Board of Directors appointed by the Chairman-Elect. The latter member(s) must be selected from those who are not currently eligible for re-nomination. If the Vice-Chair position is up for re-nomination, two (2) members will be appointed from the Board of Directors and the Vice-Chair shall not serve on the committee. If the Past Chairman is running for a position on the Board of Directors, the Chairman will appoint a member from the Board of Directors who is not currently eligible for re-nomination to fill that position and the Past Chairman will not serve on the committee.
 - (1) All nominees, on the day of election, shall be (1) voting members of the Association for at least one year prior to election; (2) current on all dues and assessments; (3) not under suspension; and (4) not associated with an office location that already has three members serving on the Board of Directors for ensuing year. An office location is defined as a complete physical address, including suite number. No individual may simultaneously serve as a Director of more than one of the following entities: South Metro Denver REALTOR® Association, any local REALTOR® Association, the Colorado Association of REALTORS® and REColorado, Inc., except for the Chairman of the Board who shall serve as a CAR Director and the Past-Chairman/Corporate Secretary who shall serve as a CAR Director and may serve as a REColorado

Director during their last year on the Board of Directors.

- (2) The Nominating Committee shall then contact the prospective nominees and obtain their acceptance of the nomination. By the end of April of each year, the Nominating Committee shall report the list of nominees to the general membership at a regular meeting of the membership. At that meeting, any REALTOR® member in good standing may make additional nominations of any REALTOR® member in good standing. Following acceptance of the nomination by any additional nominees, the complete list of nominees shall be published to the membership not later than 10 days before the date of the election of the Board of Directors. The Chairman-Elect may reconvene the Nominating Committee to select additional nominees prior to the list of nominees being published to the membership, in the event any nominee withdraws from the election.
- (3) No more than two REALTOR® members from any office location may be nominated for election to the Board of Directors in a given year.
- (4) To ensure a diverse representation of the members on the Board of Directors, the Chairman of the Board may appoint a director to fill one of the open positions on the Board with ratification by the Board of Directors of the appointment. (Diverse includes sex, office size, race, employing broker, etc.)

(b) Election Committee. The Election Committee shall consist of the Chairman, and Past Chairman and one (1) REALTOR® member, who may not be an Officer, Director, or nominee for office, who shall serve as Chair of the Election Committee. At the conclusion of the election, which may be done electronically, the Nominating Committee shall certify the votes and notify the candidates of the results.

(a) Tie Vote. In case of a tie vote, there will be a run-off election to be held within twenty (20) days of the original election.

(c) Election Procedures. The annual election of Directors, which may be conducted by paper balloting or electronic means, shall be completed in June of each year.

- (1) REALTOR® Members must cast their ballots during the designated voting period. The names must be selected from the official list of candidates. A ballot containing more than the number of vacancies to be filled will be declared invalid.
- (2) Those eligible to vote in the election are REALTOR® Members in good standing.
- (3) Vacancies occurring on the Board of Directors shall be filled by appointment by the Chairman with confirmation by the Board of Directors. Such appointees shall serve until the end of the vacating Director's elected term.

- (d) **Officer Elections.** Directors currently holding office shall elect officers for the ensuing fiscal year. Officers to be elected by the Board of Directors are Chairman, Chairman-Elect, Treasurer, and Vice Chair, who shall be chosen from the Board of Directors. Only current Directors who have served on the Board of Directors for one full year at the time of the officer election in June shall be eligible for election to the position of Chairman-Elect and Treasurer. Only current Directors who have served on the Board of Directors for eight full months at the time of the officer election in June shall be eligible for election to the position of Vice Chair. The Chairman will automatically and without election become the Past Chairman/Corporate Secretary and a CAR Director the year following the term as Chairman.
- (1) Upon confirmation of 1/3 of the eligible voting Directors, the Chairman-Elect shall advance to the office of Chairman the succeeding year. If the Chairman-Elect is unable to advance to the office of Chairman, the Board of Directors shall elect a new Chairman-Elect from the Board of Directors.
 - (2) Within 30 days of the annual Board of Director Election, the Chairman-Elect shall call a meeting of all current Directors for the purpose of electing officers for the ensuing year. Election results will be announced to the membership at the next general membership meeting following such election. Newly elected Directors may be in attendance; but are not eligible to vote.
 - (3) Directors eligible to vote for the election of officers shall be permitted to cast their vote by absentee ballot. The request for a Director's absentee ballot shall be by personal request in the form of a letter stating the Director's name and that they will be unable to cast a ballot at the scheduled officer election. All ballots must be received by the Association no later than the day before the officer election in order for those votes to be counted.
 - (4) The mechanics and logistics for the conduct of the election, and any actions necessary for the same, shall be as set forth in the Association's Governance Manual.
 - (5) Officers will take office on October 1 and shall hold their respective offices through September 30 of the following year.

Section 5. Filling Vacancies Created by Removal for Conflict of Interest. Any vacancy created by removal of a Director or Officer under Section 5 shall be filled in accordance with the provisions of these bylaws which are applicable to vacancies of Directors or that Officer.

Section 6. 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, or deemed to

have materially violated the provisions of these bylaws or of the Board of Directors' Governance Manual, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedures.

- (a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership of record as of the date the petition is submitted, or a majority of all Directors, shall be filed with the Chairman, or if the Chairman is the subject of the petition, with the Chairman-Elect, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service. For the purposes of this Section, voting members shall be defined as REALTOR® members.
- (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 Association 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 Chairman of the Association unless the Chairman's continued service in office is being considered at the meeting. In such case, the Chairman-Elect 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 of the officer or Director from office. Removal of an individual who is either an officer or Director shall constitute removal of the individual in both capacities.

Section 7. Chief Executive Officer. There shall be a Chief Executive Officer, appointed by the board of directors, who shall be the chief administrative officer of the association. The Chief 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. (Adopted 1/05)

Section 8. Conflict of Interest. South Metro Denver REALTOR® Association's (SMDRA's) Directors and elected and appointed Officers when acting in their elected or appointed capacity shall act and vote in the best interests of SMDRA without influence of any conflict of interest.

- (a) Definition - A conflict of interest shall exist on an issue or matter being considered by SMDRA if the Director or Officer, or a member of the immediate family of the Director or Officer, is:

- (1) Financially affected by the issue or matter being considered; or
- (2) A director, officer, employee, owner, potential financial beneficiary, or holder of a financial interest, in any corporation, partnership, association, or other organization that is a competitor of SMDRA or may be affected by the issue or matter being considered; or
- (3) A director or officer of CAR or REColorado.

The fact that a Director or Officer pays fees or annual dues to a local Board, CAR or NAR does not create a conflict of interest within this definition. The fact that a particular issue may affect SMDRA does not create a conflict of interest within this definition for a SMDRA Director or Officer.

- (b) **Quorum.** The presence of a SMDRA Director or Officer who has a conflict of interest may be counted in determining whether a quorum is present.
- (c) **Disclosure.** Each SMDRA Director and Officer must disclose any potential conflict of interest to the attendees in advance of any discussion or deliberation on any issue or matter in which such conflict of interest may arise.
- (d) **Abstention.** Each Director and Officer with a potential conflict of interest must not participate in the discussion or deliberation on the issue or matter in which the conflict of interest arises, and shall not attempt to influence the vote on that particular issue or matter. The Director and Officer shall abstain from the vote on that issue or matter. SMDRA shall provide the opportunity and procedure for any Director and Officer to officially record an abstention in the minutes of the meeting.

Section 9. Multiple Directors and/or Officers at a Single Office Location. No more than three Officers and/or Directors of South Metro Denver REALTOR® Association may be located at a single office location. In the event that more than three Officers and/or Directors of South Metro Denver REALTOR® Association locate at a single office location, then the last Officer(s) or Director(s) to arrive shall be permitted to fulfill the remainder of their term; however, the following election cycle will be conducted so as to bring the Association back into compliance with this policy.

Section 10. CAR AND N.A.R. DIRECTOR ELECTIONS

- (a) **Colorado Association of REALTORS® (CAR) Election Procedures.** The Chairman of the Board and the Past-Chair of the South Metro Denver REALTOR® Association shall serve as CAR Directors during their term. The Board of Directors of the Association will elect the remaining number of CAR Directors at their regularly scheduled May meeting as allocated by the Colorado Association of REALTORS®.
- (1) **Slate.** By May 1 of each year, the Nominating Committee, using criteria and policies approved by the Board of Directors as set forth in Article XII – Elections, Section 1. Nominating Committee (a), shall attempt to select from the eligible membership at least two candidates per CAR Director position available to be advanced to the SMDRA Board of Directors at their regular meeting in June. Additional names of candidates who meet the criteria may be added to the slate at this meeting by nominations from the floor; however, no nominations will be made without prior consent of the nominee.
 - (2) **Petition.** A REALTOR® member may petition the Board of Directors for reconsideration. The petition must be in writing and must be received by the Chairman of the Association seven days before the regularly scheduled Board of Directors meeting in June.
 - (3) At their meeting in June, SMDRA Directors shall elect CAR Directors; each Director will have one vote for each CAR Director position to be filled. CAR Directors will be elected by secret, written ballots which will be immediately tabulated by the Chairman and the CEO. The candidate/s receiving the most votes will fill the open position/s. In case of a tie vote, a run-off vote shall be taken between the nominees receiving the same number of votes.
 - (4) The CEO shall notify the Colorado Association of REALTORS® of the names of those CAR Directors elected by the Association by July 1 of each year.
 - (5) Vacancies occurring in SMDRA's CAR Director position(s) shall be filled by appointment by the Chairman with confirmation by the Board of Directors. Such appointees shall serve until the end of the vacating Director's elected term.
 - (6) No individual may simultaneously serve as a Director of more than one of the following entities: South Metro Denver REALTOR® Association, any other local REALTOR® Association, the Colorado Association of REALTORS®, and RE Colorado, Inc., except for the Chairman of the Board and Past-Chairman /

Corporate Secretary who shall serve as a CAR Directors and the Past-Chairman/Corporate Secretary may serve as a RE Colorado Director in the last year of their term on the Board of Directors.

- (7) **Removal of a CAR Director.** Any CAR Director or CAR Officer who has a conflict of interest on any issue or matter and who violates the requirements or procedure of Article XI - Officers and Directors, Section 4, Conflict of Interest of these bylaws, shall be removed from office in accordance with CAR's bylaw requirements on this issue. SMDRA defers to any certification of removal from CAR per their bylaws which state:
- (8) “Section 7. Removal, C. A vote by the majority of Directors in favor of removal of a Director or District Vice President shall be certified in writing to the Local Board who elected the Director or to the District that elected the District Vice President. Thereafter, within 30 days, the Local Board shall consider and vote on the removal certified by CAR. The removal of a Director shall be effective upon the vote by the local Board which elected the Director. The removal of a District Vice President shall be effective upon the vote by the District which elected that officer, but nothing herein shall preclude a District from voting on removal prior to the vote of the Directors and in the event both votes favor removal, the effective date of removal shall be the vote by the Directors.”
- (b) **National Association of REALTORS® (N.A.R.) Election Procedures.** The Association will elect the number of N.A.R. Directors as allocated according to the Association’s membership total as certified by N.A.R. on July 31 each year.
- (1) The Nominating Committee shall be the same for the National Association of REALTORS® Director Election as provided for the Board of Directors election in Article XII.
 - (2) The Nominating Committee shall submit the names of all nominees to the Board of Directors along with their recommendations as to each nominee’s qualifications to serve as determined by examination of the Candidate Applications received.
 - (3) Nominees shall be voted on and elected by a majority vote of the Board of Directors.
 - (4) The removal of a N.A.R. Director appointed by SMDRA shall be the same as removal of a CAR Director in Section 1 (e) above.
 - (5) Vacancies occurring in SMDRA’s N.A.R. Director position(s) shall be filled by appointment by the Chairman with confirmation by the Board of Directors. Such appointees shall serve until the end of the vacating Director's elected term.

ARTICLE XII– MEETINGS

- Section 1. Annual Meetings.** The annual meeting of the association shall be held each year , date to be designated by the Board of Directors. (Amended 1/05)
- Section 2. Meetings of Directors.** The Board of Directors shall designate a regular time and place of meetings. Absence from more than three regular meetings, without an excuse deemed valid by the Board of Directors, of the Board of Directors during any fiscal year will be construed as a resignation from the Board of Directors. A quorum for the transaction of business at the Board of Directors meetings shall be seven (7) Directors, except as may otherwise be required by state law.
- Section 3. Other Meetings.** Meetings of the Members may be held at other times as the Chairman or the Board of Directors may determine, or upon the written request of at least ten percent (10%) of the Members eligible to vote.
- Section 4. Notice of Membership Meetings.** Electronic notice shall be given to every Member entitled to participate in the meeting at least seven (7) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.
- Section 5. Electronic Transaction of Business.** To the fullest extent permitted by law, the board of directors or membership may conduct business by electronic means. (Adopted 1/05)
- Section 6. Action without Meeting.** Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the secretary/chief staff executive [select one] to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date. (Adopted 1/05)
- Section 7. Speakers.** The presiding officer, who shall be the Chairman or the Chairman's designee, may limit the time allotted to speakers.
- Section 8. Subjects.** No subject, unless pertaining directly to the real estate business, shall be introduced on the floor without the consent of the presiding officer, who shall be the Chairman or the Chairman's designee.
- Section 9. Solicitations.** No member shall solicit the signature of other members at any

meeting to any petition purporting to convey the attitude of the Membership on any question of public policy without the consent of the presiding officer. No circulars, papers, or communications shall be distributed at any meeting unless approved by the Chairman, and no subscriptions of money shall be solicited except with the consent of the presiding officer.

Section 10. Special Board of Directors Meetings. Special meetings of the Board of Directors may be called by the Chairman or upon request of a majority of the Board of Directors.

Section 11. Quorum. A quorum for the transaction of business at general and/or special meetings of the membership shall consist of 10% of the members eligible to vote, except as may otherwise be required by state law. (Amended 05/2013)

Section 12. Officer and Director Installation. The annual installation of Officers and Directors shall be held in September or October of each year at a time and place to be designated by the Board of Directors.

ARTICLE XIII – COMMITTEES

Section 1. Standing Committees. The Chairman shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, the following standing Committees: Professional Standards and Grievance. All other standing committees shall be set out in the Operations Manual of the Association as from time to time amended.

Section 2. Establishment of Special Task Forces. The Board of Directors may from time to time establish task forces to assist in its governance/policy-making role. Each task force shall be of such size and shall have such duties, functions, and powers as may be assigned to them by the Board of Directors, except as otherwise provided in these Bylaws. Task Force Chairs and Members shall not have the authority to enter into any contract on behalf of the Association.

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

Section 4. Chairman of the Board of Directors. The Chairman shall be an *ex-officio* member of all standing committees and shall be notified of their meetings.

Section 5. Action without Meeting. Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee. (Adopted 1/05)

ARTICLE XIV – FISCAL AND ELECTIVE YEAR

Section 1. The fiscal and elective year of the Association shall be from October 1 through September 30.

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 – AMENDMENTS

Section 1. These Bylaws may be amended by the majority vote of the members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the board of directors may, at any regular or special meeting of the board of directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 2. Notice of all meetings at which amendments are to be considered shall be sent to every member eligible to vote at least seven (7) days prior to the time of 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 XVII – DISSOLUTION

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

ARTICLE XVIII - MULTIPLE LISTING SERVICE

Section 1. **Authority.** The REALTOR® Association shall establish policies and procedures for the maintenance of a Multiple Listing Service for the use of its members which shall be subject to the Bylaws of the REALTOR® Association and such Rules and Regulations as may be hereinafter adopted.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

Section 3. Participation. Any REALTOR® Member of this or any other Member Association who is a principal, partner, corporate officer, or branch office manager acting on behalf of the principal, without further qualification, except as stipulated in these Bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental hereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "Membership" or "Participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by any Association Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation" or "Membership" or any right of access to information developed or published by the Association Multiple Listing Service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "Actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on

the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

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

Section 4. Supervision. The MLS activity shall be operated under the supervision of the REcolorado Directors, in accordance with the Rules and Regulations, subject to approval of the Board of Directors.

Section 5. REcolorado Directors.

- a) **Number of Terms.** The Association shall appoint two (2) Association REALTOR® Members to serve staggered three year terms on the Board of Directors of REcolorado, Inc. Directors may be reappointed for additional three year terms.
- b) **Appointment.** The Association’s Nominating Committee shall interview candidates and based on the current REcolorado Director Selection Guidelines, recommend REcolorado Director appointees to the Association Board of Directors for confirmation. No individual may simultaneously serve as a Director of more than one of the following entities: South Metro Denver REALTOR® Association, Colorado Association of REALTORS® and REcolorado, except for the Chairman of the Board and Past-Chairman / Corporate Secretary who shall serve as a CAR Directors and the Past-Chairman / Corporate Secretary may serve as a REcolorado Director during the last year of their term as a SMDRA Director.
- c) **Vacancies.** Vacancies in unexpired terms shall be filled as in the case of original appointees to serve out the unexpired term, or the Board of Directors at their option shall designate a member to fill the unexpired term.
- d) **Guidelines.** The Association shall have REcolorado Director Selection Guidelines for its REcolorado Director appointees. The REcolorado Director Selection Guidelines shall list the responsibilities of REcolorado Directors

(including but not limited to attendance at REcolorado meetings and communication with the Association Board of Directors) and outline causes for removal of REcolorado Directors.

- e) **Removal.** For causes outlined in the REcolorado Director Selection Guidelines, the Association Board of Directors may vote to remove a REcolorado Director, and to fill that position with another appointee.

Section 6. **Attendance.** Any REcolorado Director who fails to attend three (3) consecutive regular or special meetings of the Board of Directors of REcolorado, without excuse acceptable to this Association's Chairman, shall be deemed to have resigned from the REcolorado Board of Directors and the vacancy shall be filled as herein provided for original appointees. REcolorado Directors shall attend such meeting of the Association Board of Directors as the Association Board of Directors shall request. Failure to attend said Association Director Meetings shall be cause for removal.