DURANGO AREA ASSOCIATION OF REALTORS®, INC.

Revised ~~July 2014~~May 2017

BYLAWS

ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the Durango Area Association of REALTORS®**,** Incorporated**,** 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® as from time to time amended. ~~c~~

Section 3. Gender. In the wording of the Bylaws, the use of either gender shall include both genders.

ARTICLE II – OBJECTIVES

The objectives of the Association are:

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

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 Durango Area Association of REALTORS®, the Colorado Association of REALTORS® 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, those individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III – JURISDICTION

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® shall include all of La Plata County and San Juan County, Colorado.

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.

ARTICLE IV - MEMBERSHIP

Section 1. There shall be thirteen classes of members as follows:

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

(1) Principals: 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 a Board of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in this section.

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 connections with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in this section.

NOTE: REALTOR® Members may obtain membership in a "Secondary" Association in another state.

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

(3) Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all the rights privileges, and obligations of REALTOR® membership (including compliance with the Code of Ethics) EXCEPT: obligations related to Board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; the right to hold elective office in the local board, State Association and National Association.

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

(5) 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 mediate and arbitrate pursuant to Article

17 of the Code of Ethics and the payment of Association dues as established in Article X of these 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 these Bylaws. (Amended 5/12)

(6) Personal Assistants.

(a) *Licensed*: Licensed Personal Assistants shall be individuals who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, hold a valid real estate license and perform certain duties for a specific REALTOR® or REALTOR® firm. This individual will be entitled to all board services as a regular member and can participate in MLS meetings for their employer. Yearly fees are the same as regular membership.

(b) *Non-Licensed*: Non-Licensed personal assistants shall be individuals who perform certain duties for a specific REALTOR® firm. Non-licensed personal assistants may attend Board functions, and participate in MLS training. Office managers may be required to register their name and other pertinent information at the Board Office.

(7) Office Managers.

*Licensed***:** Licensed office managers shall be individuals who perform certain duties for a specific REALTOR® firm and hold a valid real estate license. Yearly fees are the same as regular membership.

*Non-Licensed***:** Non-Licensed office managers shall be individuals who perform certain duties for a specific REALTOR® firm. A yearly fee may be assessed to the office manager. This entitles the office manager to participate in MLS meetings and tours, attend Board functions, and participate in MLS training. Office managers are required to register their name and other pertinent information at the Board Office.

(8) Military Service. Annual dues and monthly fees will be waived for any REALTOR® member called to active military duty. This policy will remain consistent with NAR policy regarding waived dues for military service.

(b) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation award by a 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 members.

(c) Affiliate Members. Affiliate Members may be individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a), (b) or (c) of this Section, have interests requiring information concerning real estate, or provide a product or service that is of interest to the REALTOR® members, and agree to support the objectives of the Association.

Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the board, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

(d) Public Service Members. 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, may be eligible for affiliate membership.

(e) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public. Honorary members shall also include the Colorado Association of REALTORS® state president during their one-year term in office.

(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, and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in 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
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 the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, State and National Associations, and will abide by the Constitutions and bylaws and the Rules and Regulations of the Association, State and National Associations, and as a REALTOR® will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association, may invite and receive information and comment about applicant from any Member or other persons, and the 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. (Amended 5/12)

Section 2. Qualification
(a) Principal: An applicant for REALTOR® Membership who is a sole proprietor, partner, or corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association that he is actively engaged in the real estate profession, and maintains a current, valid Colorado real estate broker'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 and physical office location within the state of Colorado 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, and shall agree that if elected to membership, will abide by such *Constitution*, Bylaws, rules and regulations, and Code of Ethics.

NOTE: NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the Association may only consider

A. Judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
B. Criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

NOTE: Article IV, Section 2 of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® or REALTOR-ASSOCIATE® 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.

NO RECENT OR PENDING BANKRUPTCY is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, or corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) years from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

(b) Non-Principals: Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated whether 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 Colorado real estate broker's license, or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall complete a course of instruction covering the Bylaws and rules and regulations of the association, the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the membership committee, and shall agree in writing that if elected to membership he/she will abide by such *Constitution*, Bylaws, rules and regulations, and the Code of Ethics.

NOTE: NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the Association may only consider

A. Judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
B. Criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date (Amended 5/07)

NOTE: Article IV, Section 2 of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® or REALTOR-ASSOCIATE® 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.

NO RECENT OR PENDING BANKRUPTCY is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, or corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) years from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

(c) <u>The Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:</u>

1. All final findings of Code of Ethics violations and violations of other membership duties in any other 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. (Amended 06/2006)

NOTE: 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: provided all other qualifications for membership have been satisfied. The Association may reconsider the membership status of such individuals when all pending ethics and arbitration matters and related discipline have been resolved or if such matters are not resolved within six 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 REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that 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) <u>New Member Orientation</u> referred to in subparagraph (a) must be taken and competed by the applicant within 180 days after making application for REALTOR® Membership. Failure to satisfy this requirement within 180 days of the date of application will result in denial of the membership application and termination of 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)

(e) The Ethics class requirement does not apply to applicants who have completed this class in another association in Colorado, provided the REALTOR® membership has been continuous, or that any break in membership is for one year or less. Each applicant for membership shall be given current copies of the Bylaws of the Association. The Constitution and Bylaws of the State and National Associations and the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS® shall be available at the office of the Association.

Section 3. **Election** The procedure for membership shall be as follows:

~~(a) The Executive Officer/Secretary shall determine whether the applicant is applying for the appropriate class of membership. Names of applicants shall be published in the Association's monthly newsletter. If one or more of the REALTOR® Members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Board of Directors shall invite any objecting Member to appear and substantiate his objections. Objections, which are not substantiated, shall be totally disregarded. The Board of Directors may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting Member, and (2) giving the applicant a full opportunity to appear before the Board of Directors and establish his qualifications. The Board of Directors shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Association.~~

~~(b) The Board of Directors shall review the qualifications of the applicant, , and then vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he 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 behalf, to be represented by counsel, and to make such statements, as he deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing 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 Executive Officer/Secretary. 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.~~

(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 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 the qualifications for

membership as established in the association's Bylaws, or, if the individual does not satisfy all the requirements of membership (for example, completion of a mandatory orientation program) within 180 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.

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 (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within 6 months of the date of application will result in denial of the membership application.

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

Section 5. REALTOR® Member Code of Ethics Training
Effective January 1, ~~2001~~ 2017 through December 31, ~~2004~~ 2018 and for successive ~~four~~ 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 quadrennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any ~~(4) four~~ two (2) year cycle shall not

be required to complete additional ethics training until a new ~~four (4)~~ two (2) year cycle commences.

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

~~*Members suspended for failing to meet the requirement for the first four (4) year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4) year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05, Amended 11/08)*~~ *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) 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.*

Section 6. Status Changes

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

NOTE: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.

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

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

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

Section 1. The privileges and obligations of members, in addition to those otherwise provided in these Bylaws shall be 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 Board Rules and Regulations

after a hearing as provided in the Code of Ethics and Arbitration Manual for 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, 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 in writing by the Association, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, ~~that the Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.~~ *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.*

If a member resigns or otherwise causes membership to terminate, the duty to mediate and arbitrate continues in effect even after membership lapses or is terminated, provided ~~that~~ the dispute arose while the former member was a REALTOR® (Amended 5/12)

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

(a) If a REALTOR® Member is a principal in a firm, partnership, or corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined

member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, whichever may apply.

If a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

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

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: The Association establishes 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®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to serve as President of the Association; or to be a Participant in the Association's Multiple Listing Service.

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

Section 9. Public Service Members. Public Service members shall have rights and privileges and be subject to obligations determined 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 confer only the right to attend meetings, serve on the Community Service and Housing Opportunity Committees and participate in discussions.

Section 12. Certification by REALTOR®. "Designated" REALTOR® members of the association shall certify to the association during the month of January on a form provided by the association, a complete listing of all individuals licensed or certified in the 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 association 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. (Adopted 5/12)

Section 13. Harassment. Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or Association Officer or

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

NOTE: Suggested procedures for processing complaints of harassment are available online through http://www.REALTOR.org, or from the Member Policy Department. (Amended 5/08)

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

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

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to 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. (Amended 5/12)

Section 3. The responsibility of the 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 Board, which by this reference is made a part of these bylaws.

ARTICLE VIII - USE OF THE TERMS REALTOR® AND REALTORS®

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

Section 2. REALTOR® Members of the Board shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state of Colorado 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, or corporation who are actively engaged in the real estate profession are REALTOR® Members of the Board within the state or any state contiguous thereto 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.

Section 4. Institute Affiliate Members shall not use the terms REALTOR® and 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 reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the 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 (3) 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 REALTOR® shall be in an amount as established annually by the Board of Directors, plus an additional amount established annually by the Board of Directors times the number of real estate brokers 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 REALTORS® Members of any Board within the state, or 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 Section 2(a) (1) and (2) of this Article 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 Board 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®.

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.

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article X, Section 2 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). The National Association shall credit $35 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 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit $35 to the account of the 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 as established annually by the Board of Directors.

(e) Public Service Members. The annual dues of each Public Service member shall be as established annually by the Board of Directors.

(f) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

(g) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance of the 31st day of December. Dues for new members shall be computed from the first day of the month in which a member is notified of election and shall be prorated for the remainder of the year.

(a) In the event a real estate broker or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Board dues, written notice will be sent to the Designated REALTOR®. If 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 including amounts owed to the Association or the Association's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying member is subject to late fees and possible 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. Any member, REALTOR® member Institute Affiliate Member or Affiliate member delinquent in payment of dues by more than sixty (60) days may be required to show cause as to why the Board of Directors at its discretion, should not revoke the charter of such Member or drop such a member from membership. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the

amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the Board of Directors has confirmed the accuracy of the amount owed. A former Member who has had his 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. Deposit and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors. In regards to the purchase of real estate, the sale of real estate, or any agreement to obligate the Durango Area Association of REALTORS® membership with a loan, the Board of Directors shall be required to submit the proposal to the membership for a vote, and a minimum of 51% of responding votes must be in approval to complete the purchase, sale or loan.

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 or Association Multiple Listing Service shall be noticed to the delinquent 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 or recipients of the Distinguished Service Award of the National Association 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 individuals. 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. (Adopted 5/12)

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The officers of the Association shall be: President**,** President Elect, Vice President, and Treasurer, all of whom shall be REALTOR® members of the Association. These officers shall be elected by the Board of Directors from the members of the Board of Directors**.** In the event the President or the President Elect is unqualified, unable, or unwilling to serve and therefore cannot be confirmed by the Board of Directors, the appointment of said officer(s) shall be held according to the procedures described herein and in Section 7.

Section 2. Duties of Officers.

(a) The President shall be the Chief Office-r of the Durango Area Association of REALTORS®, Inc. and shall preside at its meetings and those of the Board of Directors.

(b) The President Elect shall perform the duties of the President in the event of his absence or disability and shall have powers and duties as may be prescribed by the Board of Directors or the President. In the absence of unforeseen circumstances, the President Elect shall succeed to the office of the President. If the office of the President should become vacant between elections, the President Elect shall fill the vacancy and complete the unexpired term. The President Elect who fills a vacancy in the office of President shall automatically become President for a full term after completion of the unexpired term. The President Elect shall have one (1) year experience on the Board of Directors prior to appointment by the Board to this office.

(c) The Vice President shall have such powers and duties as may be prescribed by the Board of Directors or the President. In the absence of unforeseen circumstances, the Vice-President shall succeed to the office of President Elect. If the office of President Elect should become vacant between elections, the Vice President shall fill the vacancy and complete the unexpired term.

(d) The Treasurer shall be the custodian of the funds and securities of the Association, and shall direct the deposit of funds and securities in such depositories and in such manner as the Board of Directors may designate and direct.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the officers, the Immediate Past President of the Association ~~and~~ , four elected REALTOR® Members of the Association, and the CAR Director elected pursuant to the process outlined in Article XI, Section 10 of these bylaws (other than the Immediate Past President). ~~.~~ Directors shall be elected to serve for terms of three (3) years, or for such lesser terms as may be necessary to fill vacancies on the Board of Directors. The retiring Association President shall, without election, remain a voting member of the Board of Directors as Past President and for one year subsequent to the term of office as President. Should the Immediate Past President be unable or unwilling to fulfil the position, the Incoming President shall make the appointment of any Past President of the local association who is in good standing in the association subject to confirmation by the Board of Directors prior to the Installation of Officers. The Incoming President may also, at his/her discretion; appoint an advisory position to serve on the Board for a one-year term. This person will be a voting member on the Board of Directors and shall be chosen from members in good standing with the Association. All other Past Presidents shall be ex-officio members of the Board of Directors as long as they remain Members in good standing of the Association.

Section 4. Executive Officer. There shall be an Executive Officer who shall keep records of the Association and perform such other duties as are customary to the position including acting as Secretary for the Association and the Board of Directors. He shall have supervision of any staff and shall perform such other duties as may be delegated to him/her by the Board of Directors, and all other duties usual to the position. The Association may, at its option and expense, obtain a "faithful" performance and fidelity bond on the Executive Officer. The cost of the bond is to be paid by the Association.

Section 5. Executive Committee. The Executive Committee shall consist of President, President-Elect, Past President, Executive Officer and, Treasurer. If the Incoming President has appointed an advisory position as described in Section 3 above, that person may also serve on the Executive Committee at the discretion of the President.

Section 6. Election of Directors and Appointment of Officers.

(a) At least two (2) months before the annual election, a Nominating Committee of three REALTOR® members shall be appointed by the President with the approval of the Board of Directors.

(1) The Nominating Committee shall select candidates for the director vacancies. These candidates must be REALTOR® members in good standing in the Association and the candidates shall number at least 50% more than the number of vacancies to be filled with a minimum of 4 candidates. The report of the Nominating Committee shall be distributed to each Member eligible to vote at least three (3) weeks preceding the election.

(2) Additional candidates for the vacancies to be filled may be placed in nomination by petition signed by at least 20% of the Members eligible to vote. The petition shall be filed with the Executive Officer/Secretary at least two (2) weeks before the election. The Executive Officer/Secretary shall send notice of such additional nominations to all Members eligible to vote before the election.

(b) The election of Directors shall be by ballot and all votes shall be cast in person, by fax, by email, or other electronic voting methods with proof of sender's identification. The ballot shall contain the names of all candidates. The election shall be held at a meeting of the general membership of the Association in August. Officers shall begin serving their respective terms October 1.

(c) The President, with the approval of the Board of Directors, shall appoint an Election Committee of three REALTOR® Members to conduct the election. Elections shall be by majority vote of a quorum. In the case of a tie vote, the members present at the regular August Association meeting shall vote by ballot and a majority vote of those present shall break the tie.

Section 7. Vacancies. Vacancies among the officers and the Board of directors shall be filled by a simple majority vote of a quorum of the Board of Directors until the next annual election.

Section 8. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

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

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the 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 President of the Board unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

Section 9. Resolution Power. The Board of Directors shall be subject to the following Resolution power of the REALTOR® Members of the Association. The REALTOR® Members shall have the power and authority to compel the Board of Directors to take action as stated in the approved Resolution. Any resolution, however, shall not be in violation and/or contrary to the Constitution and/or Bylaws of the

Association, in effect at the time the vote is taken and passed. In order to pass any such Resolution, a vote must be taken in the following one of two manners:

(1) At a regular duly called meeting the person proposing the Resolution shall select whether the vote shall be by voice or by ballot. In either case, a quorum must be present and to pass the Resolution at least sixty-five (65) percent voted in favor of said Resolution. No absentee voting shall be allowed.

(2) If, at a regular or duly called meeting, a Resolution is proposed and a quorum is not present, then a ballot shall be prepared setting forth the Resolution and distributed to each REALTOR® at least fourteen (14) calendar days prior to the time the ballots are counted and the Resolution decided upon. Absentee voting shall be allowed and all ballots shall be counted by two members of the Board of Directors. The Resolution would pass if at least a quorum voted and at least sixty-five (65) percent voted in favor of said Resolution.

Section 10. Election of Colorado Association of REALTORS® (CAR) Director(s).

(a) The Association, as provided in the Bylaws of the Colorado Association of REALTORS®, will elect the number of Directors allocated according to the Association's REALTOR® membership as of March 31, of each year, to the Colorado Association of REALTORS® Board of Directors.

(1) If the allocation is more than one, the ~~current and outgoing~~ incoming Immediate Past President shall be a CAR Director for a period of one (1) year. This is intended to allow continuing service from a person who has gained experience at the state level.

(b) Only REALTOR® Members of the Association may be elected to serve as CAR Directors. Any REALTOR® chosen to serve as CAR Director shall have a minimum of one (1) year experience on the Board of Directors. The term for a CAR director voted to serve in such capacity is three (3) years.

(c) The President, with the approval of the Board of Directors, shall appoint a Nominating Committee of not less than three members of the Association to select candidates for CAR Directors. The Nominating Committee will select at least one candidate for each Directorship as allocated to the Association by the Colorado Association of REALTORS®. Names of such nominees shall be published to the membership at least three weeks preceding the election. In addition, qualified members as provided in Section 10(b) above may be nominated by written, signed petitions of at least 20% of the REALTOR® Members of the Association, provided that such petitions are presented to the Executive officer no later than two weeks prior to the election. The names submitted by the Nominating Committee, plus those by proper petition as set forth in this Section, shall then become the Association's nominees for CAR Directors for terms as designated by the Colorado Association of REALTORS®.

(d) Election of CAR Directors shall be held at the Association meeting in August each year. Elections shall be by majority vote of a quorum for the membership cast in person, by fax, by email, or other electronic voting methods with proof of sender's identification. Notice of election and election procedures for CAR Director(s) shall be as stated in Section 6(b) and (c) for the Election of Directors.

(e) Names of those elected as CAR Directors shall be certified by the Executive Officer and a signed copy of such certified report submitted to the Colorado Association of REALTORS® offices prior to the date established by the Colorado Association of REALTORS®.

(f) Vacancies among the CAR Director(s) shall be filled by a simple majority vote of a quorum of the Board of Directors until the next annual election.

ARTICLE XII – MEETINGS

Section 1. General Membership Meetings. General membership meetings of the Association shall be held no less than quarterly, the date, place, and hour to be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Explanation of an absence from a board meeting must be submitted in writing to the Executive Officer before the next regular board meeting. Absence from three (3) regular meetings within a 1-year period will be deemed resignation from the board. The vacancy shall be filled as described in Article XI, Section 7. In the case of extenuating circumstances, the resigned director or officer may appeal the automatic resignation to the Board of Directors, who may by majority vote, overturn the resignation.

Section 3. Other Meetings. Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least 10% of the Members eligible to vote.

Section 4. Notice of Meetings. Notice shall be given to every Member entitled to participate in the meeting at least one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business at general and/or special meetings of the membership shall consist of 20% of the Members eligible to vote and five (5) members of the Board of Directors for Director's meetings, except as may otherwise be required by state law.

Section 6. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors, Committees or membership may conduct business by electronic means.

Section 7. 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 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 Executive Officer to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date.

ARTICLE XIII – COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, the following standing committees. The committee terms shall run concurrently with the term of the Officers and shall be October 1 through September 30.

Building/Audit/Finance
Community Service Committee
Housing Opportunity Committee
Legislative Committee
Member Resources Committee

*Appointments to the Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Association.

Section 2. Task Force or Work Groups. The President shall appoint, subject to confirmation by the Board of Directors a Task Force or Work Group as deemed necessary.

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

Section 4. President. The President 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.

Section 6. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

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

Section 2. The fiscal year of the Association shall be January 1 through December 31.

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. Majority Vote. These Bylaws may be amended by the majority vote of the Members present or vote being made by signed FAX or email ballot with confirmation of sender's identification, 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 NATIONAL ASSOCIATION OF REALTORS® policy.

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

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

ARTICLE 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

Section 1. Authority. The Association of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation in the state of Colorado, of which stock shall be owned by the Association of REALTORS®.

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 nonagency 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). (Amended 11/04)

Section 3. Governing Documents. In addition to the governance of these Association Bylaws, all members who participate in any MLS services provided through the association shall abide by all Bylaws, Rules, Regulations and policies of the Colorado Real Estate Network.

Section 4. Participation. Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise 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 thereto.* 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 an 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 by or published by an association multiple listing service where access to such information is prohibited by law. (Amended 11/08)

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. (Adopted 11/08)

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 operates 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. (Adopted 11/08)

ADOPTED BY THE DURANGO AREA ASSOCIATION OF REALTORS®

DATE: _____

BY: _____ ATTEST: _____
President Executive Officer