

**Bylaws of the
Kent County Association of REALTORS®, Incorporated**

**(Approved by NAR on 7/6/1978, 10/2006, 9/11/07, 02/09, 09/12, 12/13, 12/14, 6/15,
11/16, 8/18)**

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10/08, 08/10, 9/11, 9/12, 10/13, 9/14, 4/15, 9/16, 1/17, 9/17, 9/18, 9/19, 1/21, 9/23)**

ARTICLE I -- NAME

Section 1. Name. The name of the organization shall be the Kent County Association of REALTORS®, Inc., 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.

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 Delaware Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their 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® includes all of Kent County, Delaware, as well as those portions of New Castle County served by the Post Offices of Smyrna and Clayton, and those portions of Sussex County served by the Post Office of Milford.

Section 2. Territorial jurisdiction is defined to mean:

(a) 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 located within the state of Delaware 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 or unless otherwise qualified for Institute Affiliate Membership as described in Section 1(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 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 Section 1 (b) of Article IV.

NOTE: REALTOR® Members may obtain membership in a "secondary" Board in another state.

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

(3) Franchise REALTOR® Membership. 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 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; and 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 arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Board 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. Institute Affiliate Members shall be individuals who hold a professional designation by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION

OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR®-ASSOCIATE membership, subject to payment of applicable dues for such membership.

(c) Affiliate members. Affiliate members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate and are in sympathy with the objectives of the Association. They shall not be eligible to vote or to hold elective office in the Association.

(d) Public Service Members. Public Service members shall be individuals who are interested in the real estate profession as employees or affiliates of 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. They shall not be eligible to vote or to hold elective office in the Association.

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 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 Local, State and National Association, and if elected a Member, will abide by the Constitution, Bylaws and the Rules and Regulations of the Local, State and National Associations, and if elected a Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association, through its Membership Committee or otherwise, may invite and receive information and comment about the 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 conclusive 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.

(a) An applicant for REALTOR® Membership who is a principal, partner, or corporate officer, or branch manager of a real estate firm shall supply evidence satisfactory to the Board through its Membership Committee or otherwise that he 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 agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and 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, 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 Board 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 Board and MLS fees for up to one (1) year 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 proceeding, 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.

**No record of official sanctions involving unprofessional conduct is intended to mean that the Board may only consider 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.

NOTE 1: One or more of the requirements for REALTOR® Membership set forth above in Article V, Section 2(a) may be deleted at the Board's discretion. However, Boards may NOT adopt membership qualifications more rigorous than specified in the Membership Qualification Criteria for REALTOR® Membership approved by the Board of Directors of the National Association.

NOTE 2: 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 of Association of REALTORS® for violation of the Code of Ethics.

(b) Individuals who are actively engaged in the real estate profession other than as principals, partners, or corporate officers, 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 Board (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, 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 agree in writing that if elected to membership he will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the constitution, Bylaws, and Rules and Regulations of the local Association, State Association, and the National Association.

(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 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 (NAR Amended 06/2006)

" Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations 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 disciplines) 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) Persons who are re-applying for REALTOR® membership in the Association may be eligible for special consideration as previous members of the Association. This shall apply when: (1) the member has been away from the Association for more than one year, but has maintained continuous membership in the NATIONAL ASSOCIATION OF REALTORS® and has left his prior Association in good standing, or (2) where the member has been continuously licensed by the State of Delaware as a salesperson or broker and has been away from membership in the Association when his previous membership lapsed. In both cases, such applicants shall be required to file a new application for membership in the Association, shall pay an application fee set by the Board of Directors, and shall attend the Orientation Course offered by the Association. Persons whose membership has lapsed within the previous 12 months, and who were in good standing at the time, shall be able to reinstate their membership by updating their application file and paying dues and assessments, pro-rated from the date of application.

Section 3. Election.

The procedure for election to membership shall be as follows:

(a) Applicants for REALTOR® membership shall 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 subsequent review of the application by the Board of Directors. 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 30 days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues for new members shall be computed from the date of application and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. 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. This dues payment schedule also applies for agents re-activating license or transferring between Boards.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, 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 before it or may electronically or mechanically record the proceedings.

(d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that the termination become effective upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

Section 4. New Member Code of Ethics Orientation.

Applicants for REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Applicants may complete The Code Of Ethics requirement through the New Member Course provided by the National Association of Realtors® online.

Applicants must also attend one of the next two New Member Orientations scheduled and held by the Board following the date on which provisional membership was granted. Failure to satisfy these requirements will result in denial of the membership application.

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

Section 5. Continuing Member Code of Ethics Training

Effective January 1, 2018, through December 31, 2021, and for successive three-year period thereafter, each REALTOR® member of the association shall be required to complete triennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-year cycle commences.

Failure to satisfy this requirement shall be considered a violation of 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 in any three (3) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3) 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, revised 1/16, revised 10/20)

Section 6. Status Changes.

(a). A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within 5 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 15 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 Association of REALTORS®.

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 15 days of the date the Board is advised of disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

(The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Board'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. Obligation of REALTOR® Members. It shall be the duty and responsibility of every REALTOR® member of this association to safeguard and promote the standards, interests, and welfare of the association and the real estate profession., and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members also must abide by the governing documents and policies of the association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®, and as well as the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual.

Every REALTOR® member shall maintain a high level of integrity and adhere to the association’s membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership. (NAR 2021)

Section 2. REALTOR® Members. REALTOR® Members, whether primary or secondary in good standing are entitled to vote and to hold elective office in the Association; may use the term REALTOR®, 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 of the real estate profession. For purposes of this section, the term “good standing” means the member satisfies the “Obligations of REALTOR® Members”, is current with all financial and disciplinary obligations to the association and the MLS, has been completed and any new member requirements, and complies with NAR’s trademark rules. (NAR 2021)

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

(b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6 1(a) hereof, notice of such action shall be given to all REALTORS® and/or REALTOR-ASSOCIATE® employed by or affiliated as independent contractors with such REALTOR® Member, and they shall be advised that the provisions in Article VI, Section 6 1(a) shall apply

Section 3. 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 or Association Rules and

Regulations, consistent with these 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, upon recommendation of the Membership Committee 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®, REALTORS®, or the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Local, State or National Associations.

Section 4. Any REALTOR® Member, whether Primary or Secondary, 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 5. Resignation of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines or other assessments of the Association or any of its services, departments, divisions or subsidiaries, the association may condition the right of the resigning member to reapply for membership upon payment of all monies owed to the Association.

Section 6. If a Member resigns from the Board 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®. If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 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®, REALTOR-ASSOCIATE®, or the REALTOR® log; to serve as President of the local association; or to be a participant in the local association's Multiple Listing Service.

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

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

Section 10. Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association during the month of August and no later than September 1 of each year, 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 Board 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 Board to which dues have been remitted. The declarations shall be used for the 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 5 days of the date of affiliation or severance on the individual. (Refer to Article V, Section 1 regarding applications of new members).

Section 11. 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 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 or President-Elect, 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 of 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 governed by the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®, as from time to time amended, which by the reference is made 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 Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the National Association of REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined 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 of 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.

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 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. (NAR Amended 06/2006)**

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.

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

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

ARTICLE IX -- STATE AND NATIONAL MEMBERSHIPS

Section 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Delaware 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 Delaware Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Association, unless by a majority vote of all 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 Delaware Association of REALTORS®.

ARTICLE X -- DUES ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® in a reasonable amount, not exceeding three times the amount of the annual dues 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.

In the event that an applicant for REALTOR® membership has previously been a Member of the Association, and, at the time their previous membership was terminated was a Member in good standing, the Board of Directors may adopt a reduced Application Fee, in an amount equal to the current annual dues of the Kent County Association of REALTORS®, which shall accompany the application for renewal of REALTOR® membership, and which shall become the property of the Association upon final approval of the application. This reduced application fee shall apply to a person who qualifies under Article V, Section 2 (e) of these Bylaws.

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

(a) **REALTOR® Members.** The annual dues of each Designated REALTOR® Member shall be in such amount as is 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 Board in the state or a state contiguous thereto or Institute Affiliate Members of a Board. In calculating the dues payable to the Association by a designated REALTOR® Member, non-member licensees as defined in (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 Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Board 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.

For the purposes 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 or customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

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 each REALTOR® Member other than the Designated REALTOR® shall be as established annually by the Board of Directors and shall include the assessments for Local, State and National Association dues.

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

(d) Affiliate Members. The annual dues of each Affiliate Member shall be as established annually by the Board of Directors and may vary to reflect the amount of service provided to a Member by the Local Association. Annual dues of Affiliate Members shall include annual dues for Membership in the State Association if such Membership is available.

(e) Public service members. The annual dues of each Public Service Member shall be as established annually by the Board of Directors and shall include annual dues for membership in the State Association if such membership is available.

Section 3. Dues Payable. Dues for all Members shall be payable annually, in advance, on the first day of November. On the first day of the month following receiving the application, KCAR will pay dues to NAR for the new REALTORS®. Dues for new members shall be computed from the date of application. This dues payment schedule also applies for agents re-activating license or transferring between Boards. The dues schedule is subject to change on an annual basis, upon approval of the Board of Directors.

(a) In the case of a licensee who is licensed after January 1 of a calendar year, the Designated REALTOR® will be billed for each licensee from the date on which that licensee becomes affiliated with that Designated REALTOR®. This billing will be prorated on a monthly basis. Any portion of a month will be billed as an entire month.

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

(c) The annual membership dues to be due and payable by November 30 with a fine to be established by the Board of Directors for dues paid between December 1 and December 31 and a reinstatement fee to be established by the Board of Directors after December 31.

Section 4. Non-payment of Financial Obligations. If dues, fees, fines or other assessments, including amounts owed to the Association, are not paid within one (1) month after the due date, final notification will be given to the Designated REALTOR® that failure to pay dues will result in automatic termination of the Member-at 9AM on the first business day of the new year. However, no action shall be taken to suspend a member for nonpayment of disputed amounts until the Board of Directors has confirmed the accuracy of the amount owed. A 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 after making payment in full of all accounts due as of the date of the termination.

Section 5. Deposit. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

Section 6. Expenditures and Reserves. The Board of Directors shall administer the day-to-day finances of the Association. Any expenditure outside the current year budget and/or any association assets, i.e., certificate of deposit, money market, savings or checking, must have Board of Directors approval before they are incurred. A separate reserve account shall be maintained with a minimum balance as recommended by the National Association of Realtors®.

Section 7. Budget. A proposed budget, setting forth expected revenues and expenditures for the forthcoming year by category shall be prepared by the Budget and Finance Committee each summer. It shall be presented to the REALTOR® Members through an Electronic Voting System, 14 days preceding the Annual meeting, by means of one mailing to each Designated REALTOR®, at least 14 days preceding the Annual Meeting. All eligible Members shall have the right to vote via an Electronic Voting System or cast their vote by paper ballot in person or electronically, at the meeting. The voting period shall begin at the General Membership meeting and remain open for 7 days after the meeting. It is expected that there may be minor deviation from the budget during the normal course of Association operations; however, any significant changes in fees or expenditures shall be brought back to the Board of Directors for approval. Final results will be announced in an electronic announcement within 2 business days of the conclusion of the voting period.

Section 8. Notice of Dues, Fees, Fines, Assessments and Other Financial Obligations. All dues, fees, fines, assessments and other financial obligations to the Association shall be notified to the delinquent Association Member in writing, setting forth the amount owed and the due date.

Section 9. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

ARTICLE XI -- BOARD OF DIRECTORS

Section 1. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of a President, President-Elect, Treasurer, the immediate Past President, and three (3) Directors and one (1) NAR Director. They shall be Realtor® members. All Officer positions shall be elected for a term of one (1) year. The Director positions shall be for two (2) years. Commencing with the year ~~2013~~ 2023, the membership will elect one (1) Director, and continue as such in all subsequent odd-numbered years. In ~~2014~~ 2024, the membership will elect two (2) Directors, and continue to do so in all subsequent even-numbered years. The Association Executive shall serve as the Secretary and shall be an Ex Officio (non-voting) member. The composition of the Board must have a minimum representation of four (4) companies. No more than three Members from a company may be elected to serve on the Board of Directors at any one time.

Section 2. Election of Officers and Directors.

- (a) The Nominating Committee will consist of the Immediate Past President, President, President-Elect and two (2) other Realtor® members of the Association – one (1) appointed by the President and one (1) appointed by the President-Elect. The Board of Directors at its first scheduled meeting in January of each year shall approve the Nominating Committee. The Past President will serve as Chairperson for this committee.
- (b) The Nominating Committee shall be charged with soliciting Realtor® members of the Association to serve as Officers and Directors for the following year. Members seeking office will complete an application and forward it to the Nominating Committee. The Nominating Committee will

meet at least 60 days prior to the Annual Election to review applications submitted within the deadline provided and conduct interviews of those seeking office that have submitted applications within the deadline of 90 days before the annual election. The Nominating Committee will first review the applications for compliance with the *By-Laws ARTICLE XI Section 3. Eligibility for Officers/Directors* (and prior to conducting the interviews) to determine those applicants that are eligible for the position they have applied for; the Nominating Committee shall evaluate the applicants based on the content of their application and their past contributions to the Association to determine which applicants are deemed by the Nominating Committee to be “qualified” for the positions to be filled in that year’s election, and determine the Committee’s recommendation as to the nominee for each position.

- (c) The Nominating Committee will advise all applicants within five (5) days of their meeting if they have been deemed qualified and the committee’s recommendations for nominees. The committee will give all qualified applicants five (5) days to decide if they wish for their name(s) to appear on the ballot as a candidate or withdraw. Within 48 hours of the candidates’ decision period, the Nominating Committee shall provide to the Board of Directors a Ballot for their approval including the Committee’s recommendations for each position and those deemed qualified that have requested to appear on the ballot.
- (d) The Association Executive will notify the General Membership of the approved Ballot. This notification will be sent to each Designated Realtor® not later than five (5) days after the Board of Directors meeting.
- (e) The election of Officers and Directors shall be approved at the conclusion of the voting period. Approval will be by a simple majority of eligible member votes cast via an Electronic Voting System or in person at the meeting. The ballot shall contain the names of all candidates and the offices for which they are nominated and be sent electronically to all eligible voting members at least 14 days preceding the Annual Meeting. All eligible Members shall have the right to vote via an Electronic Voting System or cast their vote by paper ballot in person or electronically, at the meeting. The voting period shall begin at the General Membership Meeting and remain open for 7 days after the meeting. Final results will be announced in an electronic announcement within 2 business days of the conclusion of the voting period.

Section 3. Eligibility for Officers/Directors

- (a) The President-Elect shall automatically become President.
- (b) Applicants for President-Elect must have been a Realtor® Member for at least four (4) years and must have served as a member of the Kent County Association of Realtors® Board of Directors and a Kent County Association of Realtors® Committee Chairperson at least one (1) year.
- (c) Applicants for Treasurer must have been a Realtor® Member for at least three (3) years and must have served as a member of the Kent County Association of Realtors® Board of Directors and a Kent County Association of Realtors® Committee Chairperson at least one (1) year.
- (d) Applicants for Director must have been a Realtor® Member for at least two (2) years and served at least one (1) year on a Kent County Association of Realtors® Committee.

Section 4. DAR Directors. The Kent County Association of Realtors® President and President-Elect shall serve on the Delaware Association of Realtor® Board of Directors in accordance with Delaware Association of Realtor® By Laws. In the event more than two Directors are authorized, the Kent County Association of Realtors® Nominating Committee shall solicit applicants from the Association to fill the position(s) and make recommendations to the Kent County Association of Realtor® Board of Directors. The Kent County Association of Realtor® Board of Directors shall approve any additional Directors authorized.

Section 5. Vacancies. If a vacancy occurs, the Nominating Committee shall be responsible for submitting nominations for approval by the Board of Directors by a simple majority vote until the next annual election. The Nominating Committee shall convene within fifteen (15) days after a vacancy occurs. If the office of President becomes vacant, the President-Elect assumes the position of President. If the position of Immediate Past President becomes vacant, the most recent Past President willing to serve will fill the position. If the position of both President and President-Elect become vacant, the Immediate Past President will serve as President until such time the Nominating Committee or Remaining Board Members approve replacement members to serve on the Board until the next annual election.

Section 6. Association Office Organization. The Board of Directors shall employ an Executive Officer to administer the affairs of the Association and perform such other duties as may be delegated to him or her by the Board of Directors. The Executive Officer may, with the approval of the Board of Directors, employ such other personnel as may be necessary to conduct the activities of the Association. The Executive Officer shall be a non-voting ex-officio Member of the Board of Directors and all Association committees.

Section 7. Association Support. The Board of Directors may retain legal, accounting and other professional counsel to assist them in the operation of the Association and may fix the terms of compensation thereof.

Section 8. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors membership may conduct business by electronic means.

Section 9. Removal of a Director or Officer. In the event that a Director or Officer is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Director or Officer may be removed from office under one of the following procedures:

- a) A petition requiring the removal of a Director or Officer and signed by not less than one-third of the voting Membership, shall be filed with the President, or if the President is the subject of the petition, with the President-elect, and shall specifically set forth the reasons the subject thereof is deemed disqualified from further service. Upon receipt of the petition and not less than 14 days or more than 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 Director or Officer who is the subject of the petition and to render a decision on such petition. The special meeting notice shall be provided to all voting Members at least fourteen (14) days prior to the meeting by mailing one notice to each Designated REALTOR®. The meeting shall be conducted by the President of the Association, unless the President's continued service in office is being considered at the meeting. In such case, the President Elect will conduct the meeting of the hearing by the Members. Provided a quorum is present, three-fourths vote of the Members present shall be required for removal from office. **OR**
- b) A motion is made by one of the Officers or Directors for the removal of an Officer or Director for cause which includes but is not limited to a violation of the code of ethics, a violation of the policy or procedures, a violation of any of the rules set forth in the bylaws and/or for lack of performance of duties. After the motion is made, within 14 days, a special meeting is called by the President of the Association, unless the Presidents continued service in office is being considered at the meeting. In such case, the President Elect will conduct the meeting of the hearing by the Officers. The majority vote of the Directors and Officers shall be required for removal from office.

ARTICLE XII -- MEETINGS

Section 1. Membership Meetings: The KCAR Annual Meeting shall be held during the third quarter of each year; the date, place, and hour, to be designated by the Board of Directors. If a Special Membership Meeting is called, each Designated REALTOR® shall receive, via email, written notice that will include the purpose of the meeting. Written notice shall be provided to every eligible member at least 14 days

prior to the meeting via email to each Designated REALTOR®. Email is considered to be written notice. Membership meetings may be held in-person or virtually.

Section 2. Voting at the Annual Meeting and any Special Membership Meeting shall be as follows: At least 14 days prior to the Meeting, the Ballot for Officers and Directors, the proposed Budget, any proposed By-Law changes, or any other Association Business that requires approval by membership vote, shall be sent electronically to all eligible voting members. All eligible Members shall have the right to vote via an Electronic Voting System or cast their vote by paper ballot in person or electronically, at the meeting. The voting period shall begin at the General Membership meeting and remain open for 7 days after the meeting. A Quorum of 20% of all eligible voting Members shall be required to approve or disapprove any of items on the ballot.

Section 3. Special Membership Meetings: Special Membership Meetings may be called at such other times as the President or the Board of Directors may determine, or upon the written request of at least twenty-five percent (25%) of the Members eligible to vote.

Section 4. Board of Directors Meetings: The Board of Directors shall designate a regular time and place of meetings. Meetings may be scheduled, rescheduled, or canceled as deemed necessary with a minimum of seven days notice by the President or Designee. Emergency meetings may be scheduled with the majority vote of the Board of Directors. Notice of regular, special, or cancelled meetings shall be posted for the benefit of the membership via email and on the KCAR web page. Absence from three consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation. Meetings may be held in person or virtually.

Section 5. Quorum. A quorum for the transaction of business at The Annual Meeting and/or Special Meetings of the membership shall consist of five percent (5%) of the eligible voting members, in person, as set forth below. A quorum for the transaction of business for a Board of Directors meeting shall consist of a majority of the Directors. A Quorum for any vote utilizing an Electronic Voting System shall require 20% of all eligible voting Members to approve or disapprove any items on the ballot. Once a quorum has been established at any meeting, persons absenting themselves from the meeting cannot later eliminate it.

Section 6. Voting by Email. Routine business of the Association may be conducted by an email vote of the Board of Directors provided a sufficient timeframe to reply is stipulated along with the details of the topic to be voted on. In the event that either of the two Directors determine that the subject to be voted on should be discussed at the next regularly scheduled Board of Directors Meeting, or any Special Meeting called, the email vote will not apply.

Section 7. Secondary Voting/Election. If necessary, the Board of Directors may call for a Secondary Election in the event of; a tie vote for Officer/Director Elections, the Association's annual Budget is NOT approved, or if a motion is put forth at the Meeting that would require Membership approval. At least 14 days prior to the Vote, the final ballot for Officers and Directors, the revised Budget, or any other Association business that requires approval by membership vote, shall be sent electronically to all eligible voting members. All eligible Members shall have the right to Vote for a period of 13 calendar days prior to the close of voting via an Electronic Voting System. A Quorum of 20% of all eligible voting Members shall be required to approve or disapprove any of items on the ballot. In addition to utilizing the Electronic Voting System, Members shall have the option to cast their vote electronically at the Association office during the Voting Period. Final results will be announced in an electronic announcement within 2 business days of the conclusion of the voting period.

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.

1. Bylaws
2. Budget & Finance
3. Grievance
- 7.. Education
8. Strategic Planning

4. Nominating
5. Professional Standards
6. Public Policy

Section 2. Committees. The President shall appoint, subject to confirmation by the Board of Directors, such other committees and/or taskforces as may be active now or in the future that are referenced in the Policies and Procedures manual, as deemed necessary. Appointments to the Professional Standards Committee and Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Association.

Section 3. Organization. All committees shall be of such size and shall have such duties, functions and powers as may be assigned to them by the President or 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 for the action taken and bears the signature of one or more of the members of the committee.

Section 6. Attendance by Telephone, Audio, or Video or Phone. 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 fiscal and elective years of the Association shall be the calendar year.

ARTICLE XV -- RULES OF ORDER

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

ARTICLE XVI -- AMENDMENTS

Section 1. These Bylaws may be amended by majority vote of the Members eligible to vote electronically or in person at any meeting at which a quorum has been established. The proposed changes shall be sent electronically to all eligible voting members and via one written notice to each Designated Realtor at least 14 days preceding the Annual Meeting. All eligible Members shall have the right to vote via an Electronic Voting System or cast their vote by paper ballot in person or electronically, at the meeting. The voting period shall begin at the General Membership meeting and remain open for 7 days after the meeting. Final results will be announced in an electronic announcement within 2 business days of the conclusion of the voting period.

Section 2. The Board of Directors may, at any regular or special meetings of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

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 alternation in the territorial jurisdiction of the Association shall become effective upon the approval 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 obligations, shall distribute any remaining assets to the Delaware 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 provide for the use of its Members a Multiple Listing Service. The Association is a shareholder in a regional Multiple Listing Service named Bright MLS.