

**BYLAWS OF THE
SUSSEX COUNTY ASSOCIATION OF REALTORS®**

(Adopted October 30, 1984)

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Article I - Name

Section 1. Name. The name of this organization shall be the Sussex County 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.

Article II - Objectives

The objectives of the Board 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 own objectives throughout the state and nation and obtaining the benefits and privileges of membership therein.

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

Article III - Jurisdiction

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® is Sussex County, Delaware.

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, 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 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 an Association of REALTORS® within the state or a state contiguous thereto 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 Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate membership as described in Section 1(b) of Article IV. (Amended 1/05)

NOTE: REALTOR® members may obtain membership in a "secondary" Association in another state.

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

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

the local Association, State Association and National Association. (Adopted 01/96)

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

(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 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. (Amended 11/11)

(b) **Institute Affiliate Members.** Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership. (Amended 01/02)

(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.

(d) **Public Service Members.** Public Service members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in Association with an established real estate business.

(e) **Honorary Members.** Honorary members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.

(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 I. 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 (I) that

applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® Member, 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, through its Membership committee or otherwise, may invite and receive information and comment about applicant from any member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above. (Amended 11/11)

Section 2. Qualification

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association, that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's, associate broker's, or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and rules and regulations of the Association, the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Board of Directors, and shall agree that if elected to membership, he/she will abide by such *Constitution*, Bylaws, rules and regulations, and Code of Ethics. (Amended 01/05)

* 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 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) 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 Association may only consider:

A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (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 more than one (1) 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 05/07)

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® membership, shall at the time of application, be associated either as an employee or as an independent contractor with a designated REALTOR® member of the Association or a designated REALTOR® member of another Association (if a secondary member) and must maintain a current, valid real estate broker's, associate 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 pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Board of Directors and shall agree in writing that if elected to membership he/she will abide by such *Constitution*, Bylaws, rules and regulations, and the Code of Ethics. (Amended 05/07)

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

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

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other Associations or where the applicant for membership has unsatisfied discipline pending in another Association (except for violations of the Code of Ethics; see Article V, Section 2(a), NOTE 2), provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all 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. (Amended 11/09)

Section 3. Election

The procedure for election to membership shall be as follows: (a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership 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 to final review of the application by the Board of Directors.

(b) If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the Association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within six months from the Association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received Association services and any application fee. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.

(c) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the Board of Directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The board of directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings. d) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Adopted 01/98, Amended 01/05)

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 (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, if REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within six (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. New Member Fair Housing Orientation.

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete Fair Housing training of not less than two (2) hours 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 REALTOR® association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning

objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within six (6) months of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Section 6. Continuing Member Code of Ethics Training.

Effective January 1, 2019 through December 31, 2021 and for successive three year periods thereafter, each REALTOR® member of the Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS® or the National Association of REALTORS®, 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 the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three 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 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 01/01, Amended 11/08, Amended 11/16, Amended 11/2019)

Section 7. Continuing Fair Housing Training.

Effective January 1, 2025, through December 31, 2027 and for successive three 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 Fair Housing training of not less than two (2) hours 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 REALTOR® association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three-year cycle commences.

Failure to satisfy the required periodic Fair Housing training shall be considered a violation of a membership duty. Failure to meet the requirement in any three-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-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.

Section 8. Status Changes.

(a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she 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.

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 the privileges and obligations of membership during the period of transition. If the transfer is not completed within thirty (30) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors. (Amended 01/98)

(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. This shall not preclude the Association from charging a nominal transfer fee for this membership status change.

(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. (Amended 01/05)

Article VI - Privileges and Obligations

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

Section 2. Any member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association rules and regulations consistent with 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 by a hearing panel if 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 Board of Directors, provided, however, that if any member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the 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 Associations 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 ethics 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 the Association of REALTORS®

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to mediation and arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. (Amended 01/00 and 01/11)

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

(a) If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership, or corporation is severed, or management control is relinquished, whichever

may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined member, or until readmission of the disciplined member or unless connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself/herself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the member who is being suspended or expelled and by the individual who is assuming management control and the signatures of such certification must be notarized. In the event the suspended or expelled member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former member is admitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension of the disciplined member or until readmission of the disciplined member, or unless connection of the disciplined member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the Association, whichever may apply.

If a REALTOR® member other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.

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

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

NOTE: Local Associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate member may be granted the right to use the term REALTOR®, or the REALTOR® logo or to serve as president of the local Association. (Amended 01/02)

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

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

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

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

Section 12. Certification by REALTOR®. "Designated" REALTOR® members of the Association shall certify to the Association during the month of October 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 thirty (30) days of the date of affiliation or severance of the individual.

Section 13. Harassment. Any member of the Association may be reprimanded, placed on probation, suspended, or expelled for harassment of an Association or MLS employee or Association officer or director after an investigation in accordance with the established 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. (Amended 5/03)

Article VII - Professional Standards and Arbitration

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

Section 2. It shall be the duty and responsibility of every REALTOR® member of this Association to abide by the *Constitution* and Bylaws and the rules and regulations of the Association, the *Constitution* and Bylaws of the State Association, the *Constitution* and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to 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. (Adopted 11/11)

Section 3. The responsibility of the Association and Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and

the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

Section 4. Each person who is a party to the arbitration shall pay a predetermined fee in accordance with the Association's Policy and Procedures, as approved by the Board of Directors and subject to change from time to time as a deposit to the Association after the grievance committee determines the arbitration has been correctly filed with the Association and is an arbitral matter. The prevailing party of any arbitration shall have their deposit returned. The deposit of the non-prevailing party shall be used by the Association to cover the costs of arbitration as it may be required. Any portion not used specifically to cover the costs of the arbitration shall go into the general fund of the Association. In the event the award of the arbitrators is an amount other than that requested by any of the parties, the disposition of the deposits shall be as directed by the arbitrators.

In the event the parties to an arbitration settle the issue between themselves by agreement prior to the arbitration proceedings, but after the Association has sent notice of the date, time and place of the hearing, a predetermined portion, as determined by the Board of Directors in accordance with the Association's Policy and Procedures, and subject to change from time to time, shall be retained by the Association to cover the costs incurred by the Association up to the point of the settlement dispute. Should the parties settle the issue between themselves by agreement prior to the Association sending notice of the date, time and place of the hearing, all deposits shall be returned to the parties.

Each person who is party to the arbitration shall pay a fee as determined by the Board of Directors but may not exceed the fee as set forth in the National Association of REALTORS® Code of Ethics and Arbitration Manual (Amended 10/2020).

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 05/06)

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. (Amended 01/96)

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

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term

REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business. (Amended 1/01)

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

Article IX - State and National Memberships

Section 1. The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the 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 Associations, 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 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 and Assessments

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® membership in 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. (Amended 01/02)

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

(a) REALTOR® Members. The annual dues of each designated REALTOR® member shall be in such amount as established annually by the Board of Directors plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any Association in the state or a state contiguous thereto or Institute Affiliate members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the

Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this board. (Amended 01/05)

(1) For the purpose of this Section, a REALTOR® member of a Member Association shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section I, 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, or corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the Association on a form approved by the Association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the designated REALTOR®. Designated REALTORS® shall notify the Association within three (3) days of any change in status of licensees in a referral firm.

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

Membership dues shall be prorated for any licensee included on a certification form submitted to the Association who during the same calendar year applies for REALTOR® membership in the Association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year. (Amended 11/09 and 11/14)

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

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate member as established pursuant to Article II, of the National Association's Bylaws.

Note: The Institutes, Societies, and Councils of the National Association of REALTORS® shall be responsible for collecting and remitting dues to the National Association of Institute Affiliate members an amount subject to change from time to time as determined by the National Association of REALTORS®. The National Association shall credit an amount, subject to change from time to time, as determined by the National Association of REALTORS® to the account of the 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 amount will be credited to the COB, unless the Institute Affiliate member directs that the dues

be distributed to the other Association. The National Association shall also credit an amount, subject to change from time to time, as determined by the National Association of REALTORS® 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. (Amended 11/2013, Amended 10/2020).

(d) Affiliate Members. The annual dues of each Affiliate member shall be an amount determined annually by the Board of Directors. (Amended 01/05)

(e) Public Service Members. The annual dues of each Public Service member shall be an amount determined annually by the Board of Directors. (Amended 01/05)

(f) Honorary Members. Dues payable, if any, shall be at the discretion of the board of directors. (Amended 01/05)

(g) Student Members. Dues payable, if any, shall be at the discretion of the board of directors. (Amended 01/05)

Section 3. Dues Payable. Dues for all members shall be payable annually in advance by the 31st day of October. 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. Prepaid dues shall be refunded as determined by the Association in accordance with their Policy and Procedures and subject to change from time to time. After January 1 dues are non-refundable.

(a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the designated REALTOR®'s 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 thirty (30) days of the notice of termination.

(b) A late fee as determined by the Association in accordance with Policy and Procedures and subject to change by majority vote of the Board of Directors, will be assessed on November 1st for all unpaid dues and each month following until January 1st when member is terminated or paid in full, whichever should occur first. (Amended 10/2019, Amended 10/2020)

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association are not paid by November 30th, the nonpaying member is subject to late fees. On December 31st, membership of the nonpaying Member shall be terminated. No action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had his membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other rules and regulations of the Association or any of its services, including any lockbox service, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposits. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures. The Board of Directors shall administer the day to day finances of the Association. Capital expenditures more than five (5) percent of the annual budget may not be

made unless authorized by a majority of the Association members in attendance at a general membership meeting or special meeting at which a quorum is present.

Section 7. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association shall be noticed to the delinquent Association member in writing setting forth the amount owed and due date.

Section 8. The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past presidents, and past treasurers of the National Association, or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

Section 9. Penalty. A penalty shall be assessed to every REALTOR® member on all past due amounts. Penalties and Fines are determined by the Association in accordance with Policy and Procedures and are subject to change by majority vote of Board of Directors. An additional penalty, determined by the Association in accordance with Policy and Procedures are subject to change from time to time, will be charged to the designated REALTOR® for every licensed real estate salesperson, licensed or certified appraiser that becomes licensed with a REALTOR® member that is not reported to the Association as required in Article VI, Section 12_(Amended 10/2020)

Article XI - Officers and Directors

Section 1. Officers. The elected officers of the Association shall be a president, an immediate past president, who shall serve as a one-year director, president elect, first vice-president, second vice-president, and a treasurer. They shall be elected for terms of one year. (Amended 10/2022)

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the duty of the chief staff executive to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the DELAWARE ASSOCIATION OF REALTORS®. (Amended 01/05)

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of elected officers, five (5) REALTOR® members, an assistant treasurer and any seated NAR director (at his or her option) who is a member of the Association. Any NAR Director who does not wish to be on the Board of Directors must notify the Association no later than January 15th of their decision not to be a member of the Board of Directors for that fiscal year. The NAR Director and assistant treasurer will serve as non-voting members of the Board of Directors. Directors shall be elected to serve terms of three years, except at organization one-third of the elected directors shall be elected for terms of one, two, and three years respectively, or for lesser terms as may be deemed necessary to complete the first fiscal year. Thereafter, as many directors shall be elected each year as are required to fill vacancies. No more than two members of the Board of Directors shall come from any member firm, with the exception of the position automatically assigned to the immediate past president. In the event of merger or change in office affiliation, this rule would not apply for the current terms of members affected

Section 4. Election of Officers and Directors.

(a) At least seventy (70) days prior to the annual election to be held on the first Monday in October of each year and prior to the July Board of Directors meeting, a nominating committee of seven (7) REALTOR® members consisting of the president, president-elect, the most recent past president willing to serve, one (1) director, and 3 members-at-large, shall meet. The Nominating Committee will be chaired by the President-Elect. Prior to the committee meeting, the president-elect shall select the director at large and 3 members-at-large to serve on the committee and have his/her selection approved by the board of directors. The Nominating Committee will continue duties as assigned for service until the time the ballots are noticed to the membership. (Amended 10/19, Amended 10/2020)

- (a) The committee shall select one (1) candidate for each office and directorship to be filled on the Board of Directors except for the office of president which shall be automatically filled by the president-elect except as otherwise may be provided in accordance with Article XI-Officers and Directors section 5: Vacancies. The Nominating Committee's selection of candidates must be submitted to and approved by the Board of Directors at least seventy (70) days prior to, but no more than 100 days from the annual election.
- (b) The Board approved slate of officers shall be noticed to each member eligible to vote no later than August 10th. Additional candidates for the offices and directorships to be filed may be placed in nomination by a petition signed by at least five percent (5%) of the SCAOR membership in good standing. The petition shall be filed with the chief staff executive by noon on the last working day of the month of August. The chief staff executive shall verify that signatures are authentic and that the petitioners are members in good standing of the Sussex County Association of REALTORS® and they meet SCAOR voting eligibility requirements and will place any additional candidates on the ballot. Balloting will commence immediately upon delivery of ballot to members and conclude at noon on the day of the annual meeting.
- (c) In accordance with state statute and applicable state requirements, all elections of directors and officers shall be by a written ballot and the requirement of a written ballot may be satisfied and may be limited to a ballot submitted by electronic transmission, provided that any such electronic transmission must either be set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the eligible member.
- (d) Notwithstanding the foregoing, should no additional candidate(s) for the officer and director positions be forthcoming via the process, and as of the deadline identified in subsection (b) herein, the Board approved slate of officers and directors shall automatically be appointed to the respective positions without need for a formal election. Such appointments shall take effect at the conclusion of the predecessor's term, unless otherwise specified herein. (Amended 10/2022)
- (e) In case of a tie vote-within ten (10) days of annual meetings, all eligible members shall be notified and provided with a new ballot for those positions that were tied. All balloting will be concluded at noon on the 20th day and membership notified of the results.

Section 5. Vacancies. Except in the event of a vacancy of the president or president-elect, vacancies among the officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election.

In the event of a vacancy in the office of president, the president-elect shall complete the unexpired term of the president thus creating a vacancy in the office of the president-elect. 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 of the president.

In the event of a vacancy in the office of president-elect, the vacancy shall be filled by a simple majority vote of the Board of Directors until the next annual election. In such an event, the newly appointed president-elect shall not automatically ascend to president and the Nominating Committee will select a candidate for the balloted position, of president, as well as president-elect, at the time of the next annual election.

Section 6. Removal of Officers and Directors. In the event that an officer or director is deemed to be incapable of fulfilling the duties for which elected, 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 Association unless the president's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the members. Provided a quorum is present, a three-fourths vote of members present and voting shall be required for removal from office.

Section 7 Chief Staff Executive. There shall be a chief staff executive employed by the Board of Directors, who shall have the title determined by the Board of Directors of the Association. The chief staff executive shall have the authority to hire, supervise, evaluate, and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors. The chief staff executive shall serve as secretary and shall be an ex-Officio (non-voting) member of the Board of Directors. In the event of a vacancy in the Chief of Staff Executive position, the Board of Directors shall appoint an interim Chief of Staff Executive until the position is filled. (Amended 10/2020).

Article XII- Meetings

Section 1. Annual Meetings. The annual meeting of the Association shall be held as designated by the Board of Directors with 15 days -notice being given to the membership.

Section 2. Meetings of Directors. The Board of Directors, at its first meeting, shall designate a regular day, time, and place of meetings. Under special or urgent circumstances, and subject to no less than three days' notice, special meetings of the Board of Directors shall be held on such date, time, and place as shall be designated by the president, or in the absence or disability of the president, by the president-elect. A special meeting of the Board of Directors may also be called upon written request of three (3) or more directors. Absence of a director from 33% of regular meetings, but not special meetings of the Board of Directors during a calendar year, shall be construed as the resignation of the director. (Amended 10/2022)

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 five (5) percent of the members eligible to vote.

Section 4. Notice of Annual and Other Meetings. Written notice shall be given to every member entitled to participate in the meetings fifteen (15) days preceding all meetings (excluding committee and special task force meetings). If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting. The notice shall be sent in the form of a broker mailing defined as distribution to the broker of record by First Class United States Postal Service or personal service, email, or bf (blast fax) to broker office, and email to membership. This shall not preclude additional means of communication or electronic notification.

Section 5. Quorum A quorum for the transaction of business for the Board of Directors shall consist of 50% of the directors. A quorum for the transaction of business for all committee meetings shall consist of 50% of the committee members. General Membership meetings or other meetings shall require 3% of the members eligible to vote to constitute a quorum. (Amended 10/2022)

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:

Professional Standards	Grievance
Public Policy	Finance
Nominating	Rental Affairs

Note: The president, subject to approval by the Board of Directors, may appoint other committees including but not limited to: MLS/Lockbox, Diversity, Commercial, Young Professionals Network, Public Awareness, Appraisal, Community Service, RPAC, Professional Development, By-laws, and Past Presidents. (Amended 10/2020 & 10/2022)

- a) There shall be an Executive Committee for the Board of Directors, composed of the President, President-Elect, 1st Vice President, 2nd Vice President, Immediate Past President, Treasurer, and the Chief Executive Officer. The Chief Executive Officer will be a non-voting member of the Committee. Five of the voting members shall constitute a quorum. (Amended 10/2019)
- b) The Executive Committee shall act in accordance with the Strategic Plan and take any emergency action, administer Association finances and business as necessary between meetings of the Board of Directors. All such actions shall be reported to the Board of Directors within three business days. (Amended 10/2019)

Section 2. Special Presidential Advisory Group. The president shall appoint, subject to confirmation by the Board of Directors, special presidential advisory groups as deemed necessary. These presidential advisory groups shall be for the term of the president that appointed the PAG's or until such time the duties of those PAG's are completed which ever should later occur.

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 or the Association's approved *Policy and Procedures Manual*.

Section 4. Ex-officio Membership. The president and president-elect shall be an ex-officio member of all standing committees and shall be notified of their meetings. Elected officers and directors shall be ex-officio members on those committees as appointed by the president.

Section 5. Professional Standards and Grievance Committees. All members appointed to the Professional Standards Committee or to the Grievance Committee shall serve three (3) year terms, the original appointments being divided between 3-year terms, 2-year terms, and one year terms. Each member serving on these committees shall have completed training provided by the Association at no cost to the members. No member shall serve on any hearing panel or vote at any committee meeting until such time training has been completed.

Section 6. Finance Committee. The Finance Committee shall be composed of the president, president-elect, first vice president, second vice president, treasurer, assistant treasurer, immediate past president, one (1) director appointed by the treasurer and the chief executive officer who shall be ex- officio. The treasurer will serve as chairman of the Finance Committee.

Section 7. Strategic Planning Committee. The Strategic Planning Committee shall consist of all current elected board officers and not less than six (6) other members at large, appointed by the president-elect and approved by the board of directors with no more than two being a sitting director on the board with each to serve a three (3) year term with original appointments being divided between three (3) year terms, two (2) year terms, and one (1) year term. The president-elect shall fill by appointment and approval of the board of directors, any vacancies of the members at large. The president-elect shall serve as the chairperson.

Section 8. Removal From A Committee: Unless otherwise provided for in these Bylaws or Association governing documents, the president shall, subject to the confirmation of the Board of Directors, reserve the authority to dismiss any chairperson, vice chairperson or committee member from any committee on which they serve upon appropriate justification.

Section 9. Electronic Transition of Business: to the fullest extent permitted by law, the board of directors, committees, or membership may conduct business by electronic means.

Section 10: 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 the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the chief staff executive.

Article XIV - Fiscal and Elective Year

Section I. The fiscal and elective year of the Association shall be January 1 to December 31. Furthermore, when the term day is used within this document it shall mean calendar day.

Article XV - Rules of Order

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

Article XVI - Amendments

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

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

Section 2. Notice of all meetings at which amendments are to be considered shall be provided to every member eligible to vote at least thirty (30) days prior to the meeting. Notice shall be sent in the form of a broker mailing defined as distribution to the broker of record by First Class United Postal Service or personal service, as well as notification to members of SCAOR by, SCAOR weekly e-newsletter publication, and email to membership. This notice will include copies of the proposed changes.

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 I. 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 Delaware Association of REALTORS® or, within its discretion, to any other non-profit tax-exempt organization.
(Amended 01/05)

