

BYLAWS OF THE DELAWARE ASSOCIATION OF REALTORS®

*Certified to the National Association of REALTORS® on March 12, 2020
Approved by the DAR Board of Directors on March 24, 2023*

ARTICLE I – NAME AND OBJECTIVES

Section 1. The name of this corporation incorporated pursuant to and under the laws of the State of Delaware is the Delaware Association of REALTORS® (hereinafter referred to as this “Association”).

Section 2. The objectives of this Association are (a) to unite Local Boards/Associations of REALTORS® in Delaware (hereinafter referred to as “Local Associations”) and their members so as to; (b) exert effectively a combined influence upon matters affecting real estate; (c) to elevate the standards of the real estate business throughout Delaware, and (d) to elevate the professional conduct of persons engaged in the real estate business in Delaware.

Section 3. The Corporate office of the Association shall be maintained at a location to be determined by the Board of Directors.

ARTICLE II – MEMBERSHIP

Section 1. The members of this Association shall consist of six (6) classes: (1) Local Associations, (2) Association members, (3) REALTOR® members, (4) Institute Affiliate members, (5) Honorary members, and (6) Strategic Partner members.

Section 2. A Local Association shall be an association chartered by the National Association of REALTORS® within the state of Delaware. All the REALTOR® members who hold primary membership in a Local Association shall hold membership in this Association and the National Association of REALTORS®.

Section 3. Association members shall be either REALTOR® or Institute Affiliate members of a Local Association in good standing.

Section 4. A REALTOR® member shall be any individual engaged in the real estate profession as a principal, partner, corporate officer, or branch office manager acting on behalf of the firm’s principal(s), and licensed or certified individuals affiliated with said REALTOR® member whose place of business is located in an area outside the jurisdiction of any Local Association who meets the qualifications for REALTOR® membership established in section (a) below. Secondary REALTOR® membership shall also be available to individuals who hold primary membership in an association in another state and who desire to obtain direct membership in the state Association, with or without holding membership in a Local Association in this state.

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

*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 proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

**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 in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.
- (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 or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall complete a course of instruction covering the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the National Association of REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the membership committee and shall agree in writing that if elected to membership he/she will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

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 - B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.
- (c) The Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:
1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years
 2. Pending ethics complaints (or hearings)
 3. Unsatisfied discipline pending
 4. Pending arbitration requests (or hearings)
 5. Unpaid arbitration awards or unpaid financial obligations to 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 II, Section 4(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 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) The Board of Directors (or its appointed designee) shall review and act on all applications for membership. An application may not be rejected without providing the applicant with an opportunity to appear before the Board of Directors to make such statements as he/she deems relevant. If the Board of Directors determines that the application should be rejected, it shall

record its reasons with the Secretary. If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

- (e) The Board of Directors may adopt an application fee for REALTOR® membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership and which shall become the property of the Association upon final approval of the application.
- (f) Designated REALTOR® members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of association dues as established in Article II 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 II, Section 4 of the Bylaws.
- (g) Any REALTOR® member of the Association may be disciplined by the Board of Directors for violations of these Bylaws, 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.
- (h) 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 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.
- (i) In any action taken against a REALTOR® member for suspension or expulsion under Section 4(h) 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 II, Section 4(h) shall apply.

Section 5. 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.

Section 6. Honorary Members shall be individuals other than those engaged in the real estate business who have contributed notably to this Association.

Section 7. Strategic Partner Members shall be organizations with relevant ties to Delaware’s real estate industry and is intended to heighten engagement and collaboration across the industry.

ARTICLE III – DUES AND FEES

Section 1. The annual dues of each Local Association shall be (1) an amount established by the Board of Directors times the number of REALTOR® members who hold primary membership in the Local Association, plus (2) an amount as established by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with REALTOR® members of the Local Association who are not themselves REALTOR® or Institute Affiliate members. In calculating the dues payable by a Local Association, nonmembers, as defined in the preceding sentence, shall not be included in the computation of dues if dues have been paid in another association in the state or a state contiguous thereto, provided the Local Association notifies the State Association in writing of the identity of the association to which dues have been remitted.

Section 2. The annual dues of each designated REALTOR® member actively engaged in the real estate business from areas not within the jurisdiction of a Local Association shall be (1) an amount as established by the Board of Directors plus (2) an amount as established by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (a) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (b) are not REALTOR® or Institute Affiliate members. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or 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) hereof) provided that the 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) A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the Association on a form approved by the Association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, managing, counseling, or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the designated REALTOR®. Designated REALTORS® shall notify the Association within three (3) days of any change in status of licensees in a referral firm.

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

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

Section 3. The annual dues of REALTOR® members other than designated REALTORS® shall be as determined annually by the Board of Directors.

Section 4. The annual dues of each Institute Affiliate member shall be as established in Article II of the Bylaws of the National Association of REALTORS®.

Section 5. In January of each year, each Local Association shall file with the State Association, in such format as shall be determined by the Association, a list of its REALTOR® and Institute Affiliate members and the number of real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with such REALTOR® members, certified by the President and Secretary of the Local Association. At the time such list is filed, each Local Association shall pay dues for the current fiscal year based on such list, which dues shall be adjusted each month to reflect any net increase in the number of individuals licensed with REALTOR® members of the Association who are not themselves REALTOR® or Institute Affiliate members. Local Association dues shall also be adjusted for new members enrolled by the Association who were not previously licensed with a REALTOR® member of the Association during the current fiscal year. Adjustments for new members shall be prorated monthly and be due and payable within 30 days after the new member’s enrollment. Any Local Association or other member delinquent in payment of dues by more than 90 days may be dropped from membership in this Association by the Board of Directors.

Section 6. By March 31 each year, each Local Association shall pay to this Association all of this Association's dues collected from its REALTOR® Members as of January 31.

Section 7. A late fee may be assessed by this Association against any Local Association that fails to pay this Association's dues by March 31 of each calendar year. A late fee can be equal to but shall not exceed that amount of interest which would have been earned by the amount of dues had they been deposited in a money market account at a local commercial bank on March 15. The rate of interest for each subsequent month or fraction of a month for which dues have not been paid will be equal to that rate which is advertised on the 15th day of each calendar month until such date as those dues are paid by the Local Association.

Section 8. REALTOR® members of this Association who have achieved emeriti status, as recognized by the National Association of REALTORS®, shall no longer be assessed state dues.

ARTICLE IV – OFFICERS

Section 1. The elected officers of this Association shall be a President, President-elect, Vice President, and a Treasurer. In the absence of the President, the President-elect will perform the President's duties. The President, President-elect, and Vice President shall serve for one (1) year and Treasurer shall serve a two (2) year term or until their successors are elected and shall be voting members of the Board of Directors. The President shall not be eligible to serve a successive second term.

Section 2. The duties of the officers shall be such as their title, by general usage, would indicate, and such as may be assigned to them respectively by the Board of Directors from time to time, and such as are required by law.

Section 3. The Board of Directors may employ a Chief Executive Officer who shall be the chief executive officer of this Association. Subject to the approval of the President and the Board of Directors, the Chief Executive Officer shall serve as the Secretary of this Association and shall perform such other duties as may be delegated to him/her by the Board of Directors. The Chief Executive Officer will be a non-voting member of the Board of Directors. He/she shall provide a surety bond in such amount as the Board of Directors may determine, the cost to be paid by the Association. The Chief Executive Officer, with the approval of the Board of Directors, may employ additional staff personnel as may be necessary to conduct the activities of the Association.

Section 4. The Board of Directors may retain legal, accounting, and other professional counsel and fix the terms of compensation thereof.

Section 5. 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 by the Board of Directors, under the following procedures: (a) by the affirmative vote of two-thirds of the Directors present and voting at a meeting of the Board of Directors duly called and held upon notice, all in conformity with Article V, Section 3 of these Bylaws as to the form of and the amount of notice; (b) provided further that a written notice of the substance of the proposal shall first have been sent to each Director at least one month in advance of the meeting and the Officer or Director against whom removal action is contemplated shall be given a reasonable opportunity to be heard before the Board of Directors; (c) any such action shall be initiated by any member of the Board of Directors. To fulfill the vacancy as a result from the removal of office, the procedures identified in Section six (6) of this article shall be carried out.

Section 6. In the event of the death, disability, or resignation of the President, the President-elect shall succeed to the Presidency. The new President may at his or her option also continue as President-elect. If the new President does not elect to continue, then the new President will call a meeting of the DAR Nominating Committee within seven (7) days of the occurrence to recommend a candidate for President-elect to be elected by the Board of Directors within twenty-one (21) days. In the event of the death, disability, or resignation of the President-elect, Vice President, or Treasurer, the President will call for the DAR Nominating Committee to meet within seven (7) days of the occurrence to recommend a candidate for the vacant officer position to be elected by the Board of Directors within twenty-one (21) days.

ARTICLE V – BOARD OF DIRECTORS

Section 1. The Government of this Association shall be vested in a Board of Directors consisting of the following:

- (a) the President of each Local Association during his/her term of office (unless a written request to decline this position is presented to the Board of Directors),
- (b) Directors from each Local Association elected for a term of two (2) years each with the one exception for interim Directors as provided hereinafter – these Directors shall be based on the following formula:

Director

for membership from 1-500, Local Association will appoint 2 Directors,
for membership from 501-1000, Local Association will appoint 3 Directors,
for membership from 1001-1500, Local Association will appoint 4 Directors,
for membership from 1501 and greater, Local Association will appoint 5 Directors.

The Membership for this formula shall be based on the REALTOR® membership roster submitted as of July 31st of the current year. A minimum of one (1) Director is required from each Local Association. A written request to decline appointments can be submitted to the Board of Directors. The terms from each Local Association with more than one Director shall be staggered so that all of the Directors terms from a Board will not expire at the same time. Members selected by Local Associations to the Board of Directors must have served for at least a one (1)-year term on their Local Association's Board of Directors.

Each year each Local Association shall appoint Directors for a two (2) year term for the directorships expiring from that Local Association. In a year when the Local Association membership has increased enough to entitle it to additional Directors, the Local Association shall specify the new appointment as a one or two-year term so as to have as close as possible to one-half the appointed directorship from the Board expiring each year. If the membership of a Local Association has declined enough that it is entitled to fewer Directors than in the previous year, that Local Association shall specify which Director's term shall be eliminated and re-staggered, if necessary, to maintain as close as possible to one-half of the appointed Directors from the Local Association expiring each year,

(c) one Director-at-Large for a one-year term,

(d) the Immediate Past President of this Association (provided he/she continues REALTOR® Membership in this Association) for a period of one year,

(e) all elected Officers of this Association, and

(f) all elected Officers and Directors of NAR from Delaware for their term of National office.

All national Presidents of any NAR Institute, Society or Council who are a resident member of a Local Association in Delaware shall be non-voting members of the Board of Directors. The same individual cannot fill two (2) or more Director positions of this Association and shall not have more than one vote on any action, matter, or motion on which the Association votes. If an individual is a member of the Board of Directors according to Article V, Section 1 of this Article and an overlapping of director positions exists, the President shall appoint, subject to the approval of the Board of Directors, an interim Director and as such shall serve only for as long as the overlapping exists.

Section 2. The Board of Directors shall administer the finances of this Association and shall have sole authority to appropriate money. The accounts of this Association shall be audited/reviewed by a certified public accountant per the Association policy, and in no event less often than the National Association of REALTORS® requirement.

Section 3. The Board of Directors shall meet a minimum of four (4) times each year, at least once each quarter, at the time and place to be determined by the President, and upon at least seven (7) days written notice in advance.

Section 4. Special meetings of the Board of Directors may be called at any time upon twenty-four (24) hours written notice by the President or by a majority of the total number of Directors in office at that time.

Section 5. A majority of the Officers and Directors eligible to vote shall constitute a quorum of the Board of Directors.

Section 6. All Officers and Directors are expected to attend all scheduled Board of Directors Meetings during a calendar year. If an Officer or Director has two (2) unexcused absences in the President's discretion, in a calendar year, he/she will be deemed to have resigned unless the Executive Committee approves a written appeal for an excused absence. The Secretary will provide written notice to the Officer or Director that their position on the Board of Directors is vacant and will be filled pursuant to Article V Section 8 of these Bylaws.

Section 7. Any and all vacancies by resignation or otherwise in the Board of Directors shall be filled by appointment by the President, subject to approval of the Board of Directors. Vacancies of an NAR Director or DAR Officer – other than the President,

(which position will be automatically filled by the President-elect) – shall be filled by recommendation of the Nominating Committee and approved by the Board of Directors.

Section 8. There shall be an Executive Committee for the Board of Directors, composed of the President, President-elect, Vice President, Treasurer, Immediate Past President, the Presidents of each Local Association, and the Chief Executive Officer. The Chief Executive Officer will be a non-voting member of the Executive Committee. The Executive Committee shall meet at the call of the President or by four (4) Executive Committee members. Five (5) members of the Executive Committee shall constitute a quorum.

8.1 The Executive Committee shall act in accordance with the Strategic Plan, transact business of an emergency or delegated nature, and direct DAR's finances and business between meetings of the Board of Directors. All such actions shall be reported to the Board of Directors at its next meeting.

ARTICLE VI – NOMINATION & ELECTIONS

Section 1. The election of Officers, DAR Director(s)-at-Large, and NAR Director(s) shall be held at the annual membership meeting of the Association. Terms of office of Association Officers shall begin on the first of January of each calendar year and terminate on the 31st of December of each calendar year.

Section 2. Recommendations and local association appointments for NAR Director(s), DAR Director(s)-at-Large and Officers of this Association to be elected or appointed from the REALTOR® membership shall be sent to the Nominating Committee by July 1 of each year.

Section 3. The Board of Directors at their first meeting will appoint a Nominating Committee composed of two (2) REALTOR® Members from each Local Association, together with one alternate Member from each Local Association who shall serve in the absence of the appointed Local Association Member. One member shall be appointed by each Local Association. The President shall appoint one Local Association member and one alternate from each Local Association who shall be entitled to vote in the absence of either appointee from that Local Association. The Immediate Past President of the Association or the most recent Past President willing and qualified to serve shall serve as Chair, unless that individual has submitted their name for consideration of a position in which case the President-elect will serve as Chair for discussions regarding that position, and not be a part of the Local Association count. The Chair votes only in the event of a tie. The President-elect will serve as a voting member of the committee and not be a part of the Local Association count. An additional member shall be selected by the Chair who would be required to not be running for any position, must be currently serving on the Board of Directors, and will not be a part of the Local Association count.

Nominating Committee members must have served one (1) year on either this Association's Board of Directors or a Local Association's Board of Directors and have one (1) year of serving on a committee of this Association.

No candidate for office may serve on the Nominating Committee. If a resignation occurs because of the previous sentence, the replacement Nominating Committee member shall result from the same source as the original appointee.

The Nominating Committee shall name at least one candidate for each elected office and each vacancy on the DAR Board of Directors. The report of the Nominating Committee shall be disseminated to each REALTOR® Member of the Association at least six (6) weeks before the election is held.

Section 4. Challenging candidates for the offices to be filled may be placed in nomination by petition signed by at least fifty (50) REALTOR® Members of the Association in good standing. The petition shall be filed with the Secretary at least four (4) weeks before the election, and the Secretary shall send notice of such additional nominations to all REALTOR® members before the election.

Section 5. State Directors shall be elected or appointed by their Local Association. The names of these Directors shall be submitted in writing to the Secretary no later than November 1 annually.

Section 6. Elective and appointed offices for the Association shall be held only by REALTOR® Members in good standing.

Section 7. Voting in Association matters shall be done by REALTOR® Members in good standing.

Section 8. For the purposes of voting, any individual may hold more than one office but shall be entitled to only one (1) vote.

Section 9. Every two (2) years, or unless otherwise required, per classification from NAR, the small and medium Local Associations in Delaware will provide to the Nominating Committee a name of one (1) primary member each who will serve as NAR Director. The selected member must meet the minimum requirements of the National Association.

Section 10. NAR Directors terms are two (2) years. The President is automatically appointed as an NAR Director and the President-elect serves a two (2) year term due to the position.

Section 11. Any nominee for the office of President-elect and Vice President must have served two (2) years on the Board of Directors, chaired or have served on multiple committees at this Association, and must provide an endorsement from their primary local Board of Directors.

ARTICLE VII – MEETINGS

Section 1. An annual general membership meeting shall be held in the month of September as determined by the Board. REALTOR® Members of this Association present at the meeting shall elect Officers and Directors of this Association.

Section 2. The Board of Directors may call other meetings of the membership. Any call for a meeting shall state the purpose, time and place of the meeting and shall be issued in writing at least five (5) days in advance.

Section 3. Twenty-five (25) members, including Officers and Directors, shall constitute a quorum at any membership meeting.

Section 4. Only the voting members of the Board of Directors may vote on issues presented at Board of Directors meetings.

Section 5. To the fullest extent permitted by law, the Board of Directors, committees, or membership may conduct business by electronic means.

Section 6. 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 is in writing, setting forth the action so taken. A report evidencing the unanimous consent shall be delivered to the Secretary to be filed in the Corporate records and provided at the next meeting.

ARTICLE VIII – COMMITTEES

Section 1. The President shall appoint such standing and special committees as shall be designated from time to time by the Board of Directors and such other special committees as he/she may deem necessary.

1.1. The President-elect may appoint, with Board approval, such standing and special committees for the coming year as he/she may deem necessary.

Section 2. The President shall be an ex officio member of all committees, with voting privileges but not counting toward the quorum in committee meetings (see Robert's Rules).

Section 3. Committees shall have such duties as their titles indicate, and as the Board of Directors may assign. All actions of committees shall be subject to the approval of the Board of Directors. If any member of a committee fails to attend two consecutive meetings, his/her membership on the committee may be terminated at the discretion of the President.

ARTICLE IX – POLITICAL ACTIVITY

Section 1. There shall be a Delaware Association of REALTORS® Political Action Committee, whose purpose shall be collecting political contributions, as the term "political contribution" is defined in Section 41 (c) 1 (b) of the Internal Revenue Code, and expending such funds to further the candidacy of individuals for nomination or election to office in the State of Delaware, and to do any and all things legally necessary to accomplish such purposes, subject to Delaware laws and the Federal Campaign Act. The Committee shall be governed by the Bylaws of the Delaware Association of REALTORS® Political Action Committee, as may be amended from time to time, and which by this reference, are made part of these Bylaws.

Section 2. No public endorsement of a political candidate by the Delaware Association of REALTORS®, or any committee or subcommittee thereof, may be made without that endorsement having been generated by the Del-PAC Trustees and approved by the Delaware Association of REALTORS®' Board of Directors.

ARTICLE X – FISCAL YEAR

Section 1. The fiscal year of the Association shall be the calendar year.

ARTICLE XI – CODE OF ETHICS

Section 1. The Code of Ethics of the National Association of REALTORS® is adopted as the Code of Ethics of this Association. Any changes in or amendments to the Code of Ethics of the National Association of REALTORS® shall be deemed to change or amend the Code of Ethics and Rules and Regulations of this Association.

ARTICLE XII – PROFESSIONAL STANDARDS

A Local Association, prior to referring an ethics complaint or arbitration request for review to the Association, should exhaust all efforts to impanel an impartial tribunal to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable members of the Local Association on an ad hoc basis to serve on either Hearing Panel or on behalf of the Board of Directors. If, because of notoriety, etc., the Local Association cannot impanel an impartial tribunal, the Local Association may refer the matter to this Association, and this Association may delegate to another REALTOR® Association or a regional enforcement facility the authority to hear the case on behalf of this Association. No Local Association or regional enforcement facility, however, may be required to accept this delegation of authority. If no other entity is amenable to conducting the review, the Association shall be responsible for conducting the hearing.

Section 1. Allegations of ethical violations and contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® or between REALTORS® and their customers or clients may be submitted to an ethics or arbitration panel at the State Association level under the following circumstances.

- (a) Allegations of unethical conduct made against a REALTOR® who is directly a member of this Association and not a member of any Local Association.
- (b) Allegations of unethical conduct made against a REALTOR® in the instance in which the Local Association, because of size or other valid reason, determines that it cannot provide a due process hearing of the matter and petitions this Association to conduct a hearing.
- (c) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are not members of the same Local Association where the matter has been referred to this association by both Local Associations.
- (d) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are directly members of this Association and are not members of any Local Association.
- (e) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between a REALTOR® who does not hold membership in any Local Association, but is directly a member of this Association, and a REALTOR® who is a member of a Local Association.
- (f) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTOR® members of the same Local Association where the Local Association, with good reason and sufficient reason, is unable to arbitrate the controversy. (Explanation: This provision is not designed to relieve a Local Association of its primary responsibility to resolve differences arising between members of the same Local Association. The section recognizes that in some Local Associations with limited membership, usual arbitration may be impossible.)
- (g) Contractual disputes between a customer or a client and a REALTOR® where the Local Association, with good and sufficient reason, is unable to arbitrate the dispute or the REALTOR® is a direct member of this Association.

Section 2. Professional Standards hearings and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as from time to time amended, which by this reference is made a part of these Bylaws.

Section 3. If a REALTOR® Member (as defined in Article II, Section 4 of these Bylaws) 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 Local 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

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®.

- 3.1.** If a REALTOR® Member (as defined in Article II, Section 4, of these Bylaws) resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

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 who have completed comparable orientation in another association, provided that membership has been continuous, or that any break in membership is for one year or less.

Failure to satisfy this requirement within ninety (90) days of the date of application will result in denial of the membership application.

Section 5. REALTOR® 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 (3) year cycle shall not be required to complete additional ethics training until a new three (3) year 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 (3) year cycle will result in suspension of membership for the first two (2) 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.

ARTICLE XIII – 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 the Rules and Regulations prescribed by its Board of Directors. The State Association shall have the authority to control, jointly and in full cooperation with the National Association of REALTORS® use of the terms within those areas of the State of Delaware not within the jurisdiction of a Local Association. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

Section 2. REALTOR® Members of this Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their business 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® or 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® or Institute Affiliate Members.

Section 4. An Institute Affiliate Member shall not use the term REALTOR®, REALTORS®, OR REALTOR-ASSOCIATE® and shall not use the imprint of the emblem seal of the National Association of REALTORS®.

ARTICLE XIV – RULES OF ORDER

Section 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing all meetings and conferences when not in conflict with the Bylaws of the Association.

ARTICLE XV – AMENDMENTS

Section 1. These Bylaws may be amended at any meeting of the Board of Directors of this Association by the affirmative vote of two-thirds of the majority of elected Officers and Directors in attendance at the time and provided further that written notice of the

substance of any proposed amendment shall first have been sent to each Director at least one month in advance of the meeting. Bylaws changes mandated by NAR Policy shall be automatically updated and approved by the Board of Directors at a regular or special meeting at which a quorum is present.

Section 2. Amendments of these Bylaws affecting the admission or qualifications of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR®, REALTORS®, or any alterations in the territorial jurisdiction of a Board shall become effective only upon the approval of the Board of Directors of the National Association of REALTORS®.

ARTICLE XVI – EMPLOYEE POLICY

Section 1. The Employee Policy is under the direction and approval of the CEO other than employee benefits with financial consequences.

ARTICLE XVI – CONFLICT OF INTEREST

Section 1. The Conflict of Interest policy is an addendum to the Bylaws and is approved by the Board of Directors.

ARTICLE XVIII – DISSOLUTION

Section 1. Upon dissolution or winding up of the affairs of the Association, the Board of Directors, after providing for payment of all obligations, shall distribute all remaining assets to the National Association of REALTORS® or within its discretion, to any other nonprofit and tax-exempt organization.