



Northwest Vermont
REALTOR® Association



Northwest Vermont REALTOR® Association BYLAWS

Amended March 8, 2022

ARTICLE I: NAME

Section 1. NAME. The name of this organization shall be the **NORTHWEST VERMONT REALTOR® ASSOCIATION, INC.**, hereinafter referred to as the “Association.”

Section 2. REALTORS®. Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the National Association of REALTORS® as from time to time amended.

ARTICLE II: OBJECTIVES

The objectives of the Association are:

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

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the National Association of REALTORS®

Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 4. To further the interest or interests of home and other real property ownership.

Section 5. To unite those engaged in the real estate profession in this community with the Vermont Association of REALTORS®, INC., 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 all of CHITTENDEN COUNTY all of GRAND ISLE COUNTY and all of FRANKLIN COUNTY within the confines of the State of Vermont.

Section 2. Territorial Jurisdiction is defined to mean: The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the National Association of REALTORS®, in return for which the association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV: MEMBERSHIP

Section 1. There shall be four classes of Members as follows:

(1) REALTOR® MEMBERS. REALTOR® Members whether primary or secondary shall be:

a) Individuals who, as sole proprietors, partners, or corporate officers or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate and who maintain or are associated with an established real estate office within the state of Vermont 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 within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership. 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. NOTE: REALTOR® Members may obtain membership in a "secondary" Association in another state.

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

c) 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.

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

e) Designated REALTOR® Members. Each firm shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of 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.

(2) INSTITUTE AFFILIATE MEMBERS. Institute Affiliate Members shall be individuals who hold a professional designation by an Institute, Society, or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

(3) 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 paragraph (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association. Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

(4) MEMBER AT LARGE. Member At Large: The President of the Vermont Association of REALTORS® shall be a member-at-large in good standing, for the purpose of representing the Association in the absence of the Association President or a designated representative of the Association, as a voting delegate at the NAR Delegate Body Meetings. All local Association dues, if the President is not a member of this Association shall be waived.

ARTICLE V: QUALIFICATION AND ELECTION

Section 1. Application.

- (a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant:
- (1) that applicant agrees as condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the National Association of REALTORS[®], the Constitution, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a member, will abide by the Constitution and Bylaws, and Rules and Regulations of NVRA, State and National Associations, and if a REALTOR[®], will abide by the Code of Ethics of the National Association of REALTORS[®] including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the National Association of REALTORS[®], as from time to time amended, and
 - (2) that applicant consents that the Association, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification

- (a) An applicant for REALTOR[®] Membership who is a principal, partner, or corporate officer or branch manager of a real estate firm shall supply evidence satisfactory to the Association through its Membership Committee or otherwise that s/he is 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 official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the National Association of REALTORS[®], and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, s/he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

NOTE 2: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® or REALTOR®- ASSOCIATE® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics.

(*) NO RECENT OR PENDING BANKRUPTCY is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, 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:

- 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 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 engaged in the real estate profession other than as principals, partners, or corporate officers, in order to qualify for REALTOR® Membership, shall at the time of application be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association, or a Designated REALTOR® Member of another association (if a secondary member), must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the National Association of REALTORS®, and shall pass such reasonable and Non-discriminatory written examinations thereon as may be required by the committee, and shall agree in writing that if elected to membership, s/he will abide by the Code of Ethics of the National Association of REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Association, State Association, and the National Association.

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

1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years
2. Pending ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitration requests (or hearings)

5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS
6. Any misuse of the term REALTOR or REALTORS in the name of the applicant's firm.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE 2)

provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six 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) An applicant for Institute Affiliate Membership shall supply to the Membership Committee evidence that applicant holds a professional designation awarded by a qualified Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or who otherwise holds a class of membership in such Institute, Society or Council that confers the right to vote or hold office and shall agree, if elected to membership, to abide by the Constitution, Bylaws and Rules and Regulations of the local Association, the State Association, and the National Association.

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

(a) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program within the first two times it is offered) or within **180** days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues shall be computed from the date of application on a monthly basis and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a pro-rated amount to cover the number of days that the individual received association services and any application fee.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements as he deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

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

Section 4 - New Member Code of Ethics Orientation. Applicants for REALTOR® membership and provisional REALTOR® members shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within 180 days of the date of application will result in denial of the membership application or termination of provisional membership.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the National Association of REALTORS®.

Section 5 - Continuing Member Code of Ethics Training. Effective January 1, 2001, through December 31, 2004, and for successive three-year periods thereafter, each REALTOR® member of the association shall be required to complete triennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the National Association of REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the National Association of REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not

be required to complete additional ethics training until a new three-year cycle commences. Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed.

Failure to meet the requirement for any three (3) year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6 – Status Changes. A REALTOR® who changes the conditions under which s/he 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 s/he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of 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 his license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 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. (The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.)

(a) 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.

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

ARTICLE VI: PRIVILEGES AND OBLIGATIONS

Section 1. The privileges and obligations of members, in addition to those otherwise provided in these Bylaws, shall be as 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 not inconsistent 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 nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the National Association of REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, 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 any 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. Resignation of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association for any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

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

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

Section 6. REALTOR® Members. REALTOR® Members, whether primary or secondary in good standing are entitled to vote and to hold elective office in the Association; and, may use the terms REALTOR®. For purposes of this section, the term “good standing” means the member satisfies the Obligations of REALTOR® Members, is current with all financial and disciplinary obligations to the association and MLS, has completed any new member requirements, and complies with NAR’s trademark rules.

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

(b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(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®, REALTOR® ASSOCIATE, or the REALTOR® logo; to serve as President of the local association; or to be a Participant in the local association’s Multiple Listing Service.

Section 8. Affiliate Members. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors, except they shall not be entitled to vote.

Section 12. Certification by REALTOR®. “Designated” REALTOR® Members of the Association shall certify to the Association annually, on a form provided by the Association, a complete listing of all individuals licensed or certified with 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 REALTORS® 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 ten (10) days of the date of affiliation or severance of the individual.

Section 13. Misconduct. Members of the Association may be disciplined by the Board of Directors, in its discretion, for misconduct or conduct detrimental to the Association that shall include, but is not limited to, the following: engaging in a course of conduct or repeatedly committing acts that is or are critically disruptive of the legitimate Association business activity as conducted the Association and its Board of Directors, Chief Staff Executive or the Elected Officers, staff or other individuals acting on their behalf. As used in the Section, “course of conduct” shall mean a pattern of actions composed of more than one act over a period of time, however short, or actions evidencing a continuity of conduct that may include, by way of example, lewd, lascivious, threatening, or obscene words, language, drawings, caricatures, or actions that include strikes, shoves, kicks, or other similar physical contact, or attempts to threaten to do the same and that serve no legitimate purpose.

(a) 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.

(b) Other causes. Nothing in this section is intended to preclude discipline of members for other reasons as may be provided for in the Constitution or other sections of the Bylaws of the Association, or otherwise consistent with either of them.

ARTICLE VII: PROFESSIONAL STANDARDS AND ARBITRATION

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

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to safeguard and promote the standards, interests, and welfare of the association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession of in REALTORS®. REALTOR® members also must abide by the governing documents and policies of the Association, the State Association, and the National Association of REALTORS®, as well as the Code of Ethics of the National Association of REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual.

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

Section 3. The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

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

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

Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

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

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

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 Vermont 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 Vermont Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and

National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. The Association recognizes the exclusive property rights of the National Association of REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. The Association adopts the Code of Ethics of the National Association of REALTORS® and agrees to enforce the Code among its REALTORS®. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Vermont Association of REALTORS®.

ARTICLE X: DUES AND ASSESSMENTS

Section 1. The Board of Directors may adopt an application fee for REALTOR® membership in a reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership, and which shall become the property of the Association upon final approval of the application.

Section 2. Dues.

(a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in such amount as established 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®, 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 Sections (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid REALTOR® 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 association. *

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

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

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

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

(b) **REALTOR® Members.** The annual dues of REALTOR® Members other than the Designated REALTOR® shall be as established annually by the Board of Directors.

(c) **Institute Affiliate Members.** The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the National Association of REALTORS®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state

association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

(d) **Affiliate Members.** The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance. Dues for new members shall be computed from the date of application and granting of provisional membership.

(a) In the event a sales licensee 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.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association are not paid within one (1) month after due date, the nonpaying Member is subject to a fifty-dollar (\$50.00) penalty on the local Association portion and a fifty-dollar (\$50.00) penalty on the State Association portion. Any Member who has not paid his/her dues in full by December 31, shall no longer receive member benefits of the Association and shall immediately cease to represent himself or herself, his/her firm and all those associated therewith as REALTOR®. However, no action will be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed. A former Member who has had his/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination plus a one hundred dollar penalty on the portion owed the local association and the VERMONT ASSOCIATION OF REALTORS®.

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

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

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

ARTICLE XI: OFFICERS AND DIRECTORS

Section 1. Officers. The elected Officers of the Association shall be a President, President-elect, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person. All officers shall serve in the respective office for one (1) year commencing on December 1 in the year of election, or until their successors are elected and shall be ex-officio members of the Board of Directors. A President may be elected to a second term but under no circumstances will a President serve more than 2 (two) consecutive years. The President-elect shall succeed to the office of President without further vote of the Membership.

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 particular 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 Vermont Association of REALTORS®.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the elected Officers, the Immediate Past-President of the Association, and six elected REALTOR® Members. Directors shall be elected to serve for staggered terms of three years. Thereafter, as many Directors shall be elected each year as are required to fill vacancies.

(a) Term Limits. No director shall serve for more than two (2) consecutive three (3)-year terms.

(b) No more than two (2) REALTORS® from the same real estate firm may simultaneously serve on the Board of Directors. In the instance where this threshold is exceeded by means of office transfer midterm, the Director/Officer may complete the current year service without removal from the Board.

Section 5. Election of Officers And Directors.

(a) At least two (2) months before the annual election, a nominating committee of three REALTOR® Members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select one candidate for each office and one candidate for each place to be filled on the Board of Directors. The report of the Nominating Committee shall be mailed or where permitted by state law, electronically transmitted to each Member eligible to vote at least three (3) weeks prior preceding the election. Additional candidates for the offices to be filled may be placed in nomination by a petition signed by at

least ten percent (10%) of the REALTOR® Members. The petition shall be filed with the Chief Executive Officer at least two (2) weeks before the election. The Chief Executive Officer shall send notice of such additional nominations to all Members eligible to vote before the election.

(b) The election of Officers and Directors shall take place at the annual meeting or, where permitted by state law, electronically. Election shall be in accordance with procedures established by the Board of Directors, which may, in accordance with applicable state requirements and laws, include electronic means.

(c) The President, with the approval of the Board of Directors, shall appoint an Election Committee of three REALTOR® Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.

Section 6. Vacancies. Vacancies among the Officers and Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election.

Section 7. Removal of Officers and Directors. In the event that a local association 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 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 nor 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 8. Chief Staff Executive. There shall be a Chief Staff Executive, approved by the Board of Directors, who shall be the chief administrative officer 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. It shall be the responsibility of the elected officers of the Association to conduct an annual performance evaluation of the Chief Staff Executive.

ARTICLE XII: MEETINGS

Section 1. Annual Meetings. The annual meeting of the membership shall be held during the fourth quarter of each year, the date, place, and hour to be designated by the Board of Directors. The meeting may be held in a virtual setting if deemed necessary.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meeting. Any Director can be removed from the Board of Directors by the majority vote of the voting members of the Board of Directors and any Board of Directors meeting, provided that the absent director has been given the opportunity to provide the Board with the reasons for the Director's absence before the motion for removal is presented for a vote. Special Meetings may be called by the President, or three Directors provided forty-eight (48) hours' notice is given to each Director of the time and place and confirmed in writing.

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

Section 4. Notice Of Meetings. Written notice shall be given to every member entitled to participate in the meeting at least ten (10) days preceding all meetings. If a special meeting, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business shall consist of not less than twenty -five (25) Members eligible to vote.

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

Section 7. Action without Meeting. Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or

more directors. All the approvals evidencing the consent shall be delivered to the Chief Staff Executive to be filed in the corporate records. The action taken shall be effective when all the Directors have approved the consent unless the consent specifies a different effective date.

ARTICLE XIII: COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the Members, subject to confirmation by the Board of Directors, the following standing committees:

- Professional Standards
- Grievance
- Government Affairs
- Young Professionals Network
- Community Service
- Education

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, such special committees as deemed necessary.

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

Section 4. President. The President shall be ex-officio member of all standing committees and shall be notified of their meetings.

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

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

ARTICLE XIV: INDEMNIFICATION

The Association shall indemnify its Directors and Officers to the fullest extent permitted by law and the Certificate of Incorporation of the Association, and the Association shall advance the payment of legal expenses to any Officer or Director in the defense of any claim for which indemnification may be available to the fullest extent permitted by law and the Certificate of Incorporation of the Association.

Officers and Directors shall not be liable to the Association for any mistake of judgment, negligence or otherwise, except for his/her individual willful misconduct or bad faith.

The Association shall indemnify and hold each Officer and Director harmless from all costs, expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon him/her in connection with any proceeding to which the Officer or Director is a party or otherwise involved by reason of being or having been an Officer or Director of the Association, whether or not he/she is an Officer or Director at the time such expenses are incurred, EXCEPT in such cases wherein the Officer or Director is guilty of bad faith, willful misfeasance or malfeasance in the performance of his/her duties AND provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors has approved the settlement and the amount of reimbursement as being in the best interest of the Association.

The right to indemnification shall be made by the Board of Directors comprised of uninterested Directors in each specific case upon a determination that indemnification of the Officer or Director is permissible under the circumstances (e.g., good faith). Indemnification shall be limited to reasonable expenses incurred in connection with any proceedings.

The Association shall indemnify and hold harmless each Officer and Director from and against all contractual liability to others arising from contracts made by the Officer or Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Bylaws. (a note on this suggestion – there should be a provision in the bylaws that every contract or agreement made by an Officer or Director on behalf of the Association shall, if reasonably possible, provide that the Officer or Director is acting only as agent for the Association and shall have no personal liability.)

The Association shall be required to indemnify an Officer or Director in connection with a proceeding initiated by such person only if such proceeding was authorized by the Board of Directors.

The Association shall have the power to purchase and maintain at its cost and expense, insurance on behalf of the Officers and Directors.

ARTICLE XV: FISCAL AND ELECTIVE YEAR

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

Section 2. The elective year of the Association shall be December 1 to November 30.

ARTICLE XVI: RULES OF ORDER

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

ARTICLE XVII: 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. When Bylaws amendments are mandated by NAR policy, these Bylaws may be automatically amended to reflect the mandate as of the effective date of the mandatory policy authorized by the NATIONAL ASSOCIATION OF REALTORS®. The Association shall provide notice of that change in a regular or special membership communication.

Section 2. Notice of all meetings at which amendments are to be considered shall be disseminated, in the methods allowed by these bylaws, to all members eligible to vote at least ten (10) days prior to the meeting.

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR® or 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 XVIII: DISSOLUTION

Section 1. Upon the Dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to any real estate trade association or successor corporation, or within its discretion, to any other non-profit tax-exempt organization.