

DOUGLAS ELBERT REALTOR® ASSOCIATION BYLAWS

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ARTICLE I - Name

Section 1. Name. The name of this organization shall be the Douglas Elbert REALTOR® Association, Inc. hereinafter referred to as the “Association ”or “DERA.”

Section 2. REALTORS® Inclusion and retention of the term "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:

Sections 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 the high standards of conduct in the real estate profession as expressed in the Code of Ethics of the National Association of REALTORS®.

Sections 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 of home and other real property ownership.

Section 5. To unite those engaged in the real estate profession in this community with the Colorado Association of REALTORS® and the National Association of REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

Section 6. To designate, for the benefit of the public, 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 is the Counties of Douglas and Elbert in the State of Colorado.

Section 2. Territorial jurisdiction is defined to mean:

The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the National Association of REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV - Membership

Section 1. Classes of membership shall be as follows:

(a) **REALTOR® Members.** REALTOR® Members, whether Primary or Secondary, shall be:

(1) Individuals who as sole proprietors, partners, corporate officers, or supervising brokers who are engaged actively in the real estate profession, including buying, selling, exchanging, renting, or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Colorado or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the State of Colorado or a state contiguous thereto and hold an active Broker's license through the Colorado Real Estate Commission, or who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in an Association of REALTORS® within the State of Colorado or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(h) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1(h) of Article IV.

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

(3) Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the Provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all 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; the right to hold elective office in the local Association, State Association and National Association.

Should any REALTOR® Member sever his connection with his Designated REALTOR® Member, or should his Designated REALTOR® Member cease to hold active Membership in this Association, his membership shall automatically cease.

(b) **Primary and Secondary REALTOR® Members.** An individual is a Primary Member if the Association pays state and national dues 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.

- (c) **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 supervising broker 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.
- (d) **Public Service Members.** Shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.
- (e) **Honorary Members.** Shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public. Honorary membership shall confer no rights except the right to attend meetings and participate in discussions, nor shall it impose any obligations. Honorary Members shall not be eligible to vote or hold elective office in the Association.
- (f) **Life Members.** Any individual who has been a Member for 25 years and who has attained the age of 65 years may be elected a Life member by the Board of Directors. Such a Member may be entitled to use of the term "REALTOR®" as provided by Article V, Section 3(b) and Article VIII.
- (g) **Affiliate Members.** Shall have rights and privileges and be subject to obligations prescribed by the Directors. Affiliate Members may chair committees but shall not be eligible to vote or hold elective office in the Association, other than one affiliate Member shall be elected to serve as a voting, Director of the Association. Individuals who, while not engaged in the real estate profession as defined in paragraphs (a) through (f) 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.
- (h) **Institute Affiliate Members.** Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

ARTICLE V - Qualification and Election

Section 1. Application. Application for REALTOR® 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:

(a) that applicant agrees as a condition to membership to thoroughly familiarize himself 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 the Association, State and National Associations, and if a REALTOR® Member, will abide by the Code of Ethics of the National Association of REALTORS®, including the obligation to 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.

(b) 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, corporate officer, or supervising broker of a real estate firm shall supply evidence satisfactory to the Association that he is actively engaged in the real estate profession, and maintains a current, valid Colorado real estate broker's 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 of Colorado, or a state contiguous thereto (unless a secondary member), , has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the Colorado Association of REALTORS®, and the Constitution and Bylaws and Code of Ethics of the National Association of REALTORS®, and shall complete a non-discriminatory instructional class, and shall agree that if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

Such course of instruction must be completed within three (3) months after acceptance into the Association and applicants shall attend an induction ceremony and take the pledge of membership. Failure to meet any of these requirements of membership will result in the applicant not being accepted into REALTOR® Membership. A former member who has had his membership terminated may apply for reinstatement in the manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

(b) Individuals who are engaged in the real estate profession other than as sole proprietors, principals, partners, corporate officers, or supervising brokers, 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 and must maintain a current, valid real estate broker's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and shall satisfy the following requirements:

- (1) The applicant must make written application for REALTOR® Membership in the Association.
- (2) Must subscribe to the Code of Ethics, Constitution, Bylaws, Rules and Regulations of the local Association, State Association and the National Association. Must complete a non-discriminatory instructional class on such Code, Constitution, Bylaws, Rules and Regulations; complete the C.A.R. Ethics and Professional Practices Course and provide proof of completion to the Committee; and, if required, shall satisfy the requirements as set forth in the 8 point membership criteria as established by the National Association of REALTORS® and shall complete such courses within three (3) months after

acceptance into the Association.

Note: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® 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.

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

- (1) All final findings of Code of Ethics violations and violations of other membership duties in any other 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.

Section 3. Election.

The procedure for election to membership shall be as follows:

- (a) Staff shall determine whether the applicant holds a valid Colorado real estate license and is applying for the appropriate class of membership.
- (b) 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 within ninety (90) days from the Association's receipt of their application, the member may be fined up to \$100 or the membership may be terminated at the discretion of the Board of Directors.
- (c) Dues shall be computed from the date of application and shall be non-refundable unless the Association's Board of Directors terminates the individual's membership in accordance with subsection (b) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.
- (d) 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 presented 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.
- (e) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Chief Executive Officer. 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.

Applicants for REALTOR® membership shall complete a program on the Code of Ethics of not less than two hours and thirty minutes of instruction time. This requirement does not apply to applicants for REALTOR® membership who have completed a comparable program in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Note: See above Section 2(b)(2).

Failure to satisfy this requirement within three (3) months of the date of application, at the discretion of the Board of Directors, will result in denial of the membership application.

Section 5. Continuing Member Code of Ethics Training.

Effective January 1, 2001 through December 31 2004, and for successive four year periods thereafter, each REALTOR® member of the Association shall be required to complete quadrennial ethics training of not less than two hours and thirty minute 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 Colorado 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 the New Member Code of Ethics training during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty..

Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

ARTICLE VI - Privileges and Obligations

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

Section 2. Any REALTOR® 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, MLS Rules and Regulations, or the Code of Ethics of the National Association of REALTORS®, after a hearing as provided in the Code of Ethics and Arbitration Manual. 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 for any conduct violating the Association's Bylaws, other than the Code of Ethics, or for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the National Association of REALTORS®.

Section 3. REALTOR® Members.

(a) REALTOR® Members, whether Primary or Secondary Members, whose financial obligations to the Association are paid in full shall be entitled to vote and hold elective office in the Association.

(b) Only REALTOR® Members, in good standing, may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII.

(c) All REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests and welfare of the Association and the real estate profession.

(d) If a Designated 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 Designated REALTOR® Membership, 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, 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 readmitted 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 connection with the REALTOR® and affiliate with another Designated REALTOR® member in good standing in the Association, whichever may apply.

If a REALTOR® Member other than 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® and REALTORS® by the firm, partnership or corporation shall not be affected.

RATIONALE: To ensure a disciplinary sanction of suspension or expulsion may appropriately be imposed upon a REALTOR® Member without depriving other principals, if any, of a partnership or corporation, or employees and/or independent contractors affiliated with the suspended or expelled REALTOR® of membership status in good standing with a continuation of rights, benefits and privileges of REALTOR® Membership, provided the suspended or expelled Member relinquishes any form of management control.

(e) In any action taken against a REALTOR® Member for suspension or expulsion under Section 3(d)

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 3(d) shall apply.

(f) Any REALTOR® Member may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the National Association of REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 4. Resignations. If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

(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 5. Affiliate Members. Affiliate Members shall have all of the rights and privileges and be subject to all of the obligations prescribed by the Board of Directors, except the right to vote and to hold elective office.

Section 6. 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®.

Section 7. Public Service. Public Service shall have rights and privileges and be subject to obligations prescribed by the Board of Directors. Such Members shall not be eligible to vote or to hold elective office and shall not be certified to the NATIONAL ASSOCIATION OF REALTORS® or to the Colorado Association of REALTORS® and shall not be entitled to use of the term "REALTOR®".

Section 8. Honorary Members. Honorary Membership shall be those persons recognized by the Board of Directors as persons who have performed notable service for the real estate profession, for DERA, or for the public though not engaged in the real estate profession. Honorary members have rights and privileges to attend meetings, participate in discussions, and are subject to obligations prescribed in the Association's Policies. Notwithstanding the foregoing, the DERA Board of Directors shall have full and absolute discretion to modify, suspend and/or revoke the rights, privileges and/or obligations of Honorary Members as set forth in the Association Policies provided that the Board of Directors action is not inconsistent with the policies and procedures established by the National Association of REALTORS® for Honorary Members or in violation of Colorado law.

Section 9. Life Members. Life Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors. Such a Member may be entitled to use of the term "REALTOR®" as provided in Article VI and Article VIII.

Section 10. Assignments. A REALTOR® membership shall not be assigned.

Section 11. Certification by REALTOR®. Designated REALTOR® Members of the Association shall certify to the Association during the months designated by the Board of Directors, on a form provided by the

Association, a complete listing of all individuals licensed or certified with the REALTOR'S® firm(s) within the State of Colorado, and shall designate a Primary Association for each individual. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws.

Section 12, Harassment Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association employee or Officer or Director, after an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by an investigatory team comprised of the President, President-Elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with counsel for the Association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President, or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors, selected by the highest ranking officer not named in the complaint.

ARTICLE VII - Professional Standards and Arbitration

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

(b) The Association has entered into an agreement establishing procedures for Multiple Association Regional Professional Standards Enforcement as well as in a state association Professional Standards Enforcement Pool, which if elected by the Association's Grievance Committee, may refer complaints to either for full Grievance Committee review and Professional Standards Committee hearings. The member must comply with the judgment(s) and sanctions(s) of their findings as the procedures dictate in the agreements.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the National Association, and as a REALTOR® or nonresident Member, will abide by the Code of Ethics of the National Association of REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined in the Code of Ethics and arbitration Manual of this Association, as from time to time amended.

Section 3. The attached Professional Standards Policy shall become and remain a part of these Bylaws, as from time to time amended.

Section 4. The responsibility of the Association and its members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and organizations and procedures incident thereto, shall be governed by the National Association of REALTORS® Code of Ethics and Arbitration Manual, herein referred to as "the Manual," as from time to time amended, subject to the following:

- (a) The provisions of the Colorado Uniform Arbitration Act, Section 13-22-201, ff., C.R.S. 1973, shall apply and the Manual shall be interpreted in a manner which is consistent with the statute.
- (b) The term "REALTOR® ASSOCIATE" shall be deleted from the text, as it is not applicable in this Association.
- (c) Editorial content and explanation contained in the Manual shall be considered as advisory but not binding in interpreting the Manual and its provisions.
- (d) Fees and deposits shall be in the amounts determined by the Board of Directors, as from time to time amended.
- (e) Reference to "state" or "state law" shall refer to the State of Colorado or the laws of the state as the context may indicate.

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. 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 of Colorado or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the State of Colorado or a state contiguous thereto are REALTOR® Members or Institute Affiliate Members as described in Section 1(h) 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 supervising broker 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 supervising broker holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business. (Amended 1/01)

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

ARTICLE IX - State and National Memberships

Section 1. The Association shall be a member of the National Association of REALTORS® and the Colorado Association of REALTORS®. 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 Association shall be notified at least one (1) month in advance of the date designated for the termination of such membership.

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

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

ARTICLE X - Dues and Assessments

Section 1. Application Fee. The Board of Directors may adopt an application fee for Designated REALTOR® Membership and REALTOR® Membership in a reasonable amount, not exceeding three (3) times the amount of the annual dues for Designated REALTOR® or REALTOR® Membership, which shall be required to accompany each application for Designated REALTOR® or REALTOR® Membership and which shall become the property of the Association upon approval of the application.

Section 2. Dues.

(a) The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors plus an equal amount times the number of licensed real estate brokers and licensed or certified appraisers who are affiliated with the Designated REALTOR® Member and who are not REALTOR® Members of any Board or 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 shall not be included in the computation of dues if the DR has paid dues based on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® in the office where the Designated REALTOR® holds membership and any other offices of the firm located within the jurisdiction of this Association. (Amended 1/01)

- (1) For the purpose of this Section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch supervising broker of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section I, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other

aspects of the real estate business (except as provided for in Section 2(a)(1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch supervising broker of the entity.

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

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) The annual dues of each REALTOR® Member shall be in an amount to be determined annually by the Board of Directors. In the event a dues increase is deemed to be justifiable by the Board of Directors in a given year, said increase will not exceed 10% without a majority vote of a membership quorum. .

(c) All other types of membership dues will be in an amount to be determined annually by the Board of Directors.

NOTE: 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 3. Dues Payable. Dues for all Members shall be payable annually in advance, on or before the first day of October. The Board of Directors may institute a payment plan to allow for the collection of dues in more than one payment so long as the final payment is due no later than two months after the October 1st due date. Dues (or Dues Assessment(s)) shall be prorated for the remainder of the year and computed from the first day of the quarter in which a Member (or Licensee) is actively licensed with the Designated REALTOR® Member.

(a) In the event a sales licensee who holds REALTOR® membership is dropped for nonpayment of Association dues, and the licensee 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 30 days of the notice of termination.

Section 4. Nonpayment of Dues. If dues are not paid within two months after the due date, the member is subject to suspension at the discretion of the Board of Directors. Three (3) months after due date membership shall automatically terminate unless within that time the amount due is paid. A former member who has had his membership terminated may apply for reinstatement after making payment in full of all past due and current accounts.

Section 5. Dues Billing and Payment Policy. The attached Dues Billing and Payment Policy shall become and remain a part of these Bylaws, as from time to time amended.

Section 6. Nonpayment of Fees. The attached Nonpayment of Fees Policy shall become and remain a part of these Bylaws, as from time to time amended.

Section 7. Deposit. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution(s) selected by the Board of Directors and any interest earned there from shall accrue to the sole benefit of the Association.

Section 8. Expenditures. The Board of Directors shall administer the finances of the Association, but shall not incur any obligation in excess of the Association's annual gross income in that fiscal period without authorization by a majority vote of the REALTOR® Membership quorum at a publicized general membership meeting; except for expenditures paid from the DERA Planning Committee (DPC) Capital Reserve Fund or the Capital Building Maintenance Fund as authorized in the DERA Standard Financial Operating Procedures Policy.

Section 9. Returned Checks. The Returned Checks Policy is attached to these Bylaws and shall remain a part of the Bylaws, as from time to time amended.

ARTICLE XI - Officers and Directors

Section 1. Board of Directors.

(a) The governing body of the Association shall be a Board of Directors (Directors) composed of at least twelve (12) members, eleven (11) shall be active REALTOR® members which include the officers: Immediate Past President, President, President-Elect, , and Treasurer, plus the Affiliate member, recommended by the Affiliate Committee approved by Directors for a one-year term. The Chief Executive Officer shall serve as ex-officio, non-voting member of the Association. The President shall vote only to decide tie votes. Directors shall be elected to serve terms of three (3) years.

(b) As many Directors shall be appointed by the President with approval of the Board of Directors each year as are required to fill vacancies of unexpired terms. No one shall be elected or appointed to the governing body if it would cause the Board of Directors to have more than three (3) Directors from one principal office. In the event a current Director would transfer to another company, they shall be allowed to complete their elected or appointed term.

(c) If the retiring President is in his final year of his term as a Director, he shall be held over without election for one (1) year to serve as Immediate Past President and CAR Director during the year following his term of office as President.

(d) If the President-Elect is in his final year of his term as Director, he shall be held over without election to serve in the position of President and Immediate Past President.

(e) Directors, at the beginning of their final year of their term may run for Officer of the Association. Notwithstanding any other provisions of these bylaws only the President-Elect may be held over without election to fulfill the position of President and Immediate Past President .

Section 2. Officers. The elected officers of the Association shall be President, President-Elect, and Treasurer. They shall be elected for terms of one (1) year and shall form the Executive Committee of the Association, along with the Immediate Past President. The Executive Committee shall be subject to the Rules and Regulations which govern the Board of Directors.

Section 3. Duties of Officers.

(a) 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.

- (b) In the absence of the President, the President-Elect shall perform his duties.
- (c) The Treasurer shall present a monthly financial statement of the Association to the Board of Directors, as prepared by the staff.
- (d) There shall be a Chief Executive Officer who shall be employed by the Board of Directors. She/He shall be chief administrative officer of the Association and head of the staff charged with its selection and supervision and shall perform such other duties as may be delegated to him/her by the Board of Directors and all other such duties usual to such office.
- (e) Unless otherwise specifically directed and authorized by the Directors, the spokesman for the official policy of the Association shall be vested in the offices of the President and Chief Executive Officer. The President gains authority to promulgate official Association policy to the Directors of the Association.
- (f) At the meetings of the Denver Metro Association Presidents, the President shall have the authority to obligate the Association in an amount determined by the Board of Directors for metro area projects approved at such meetings.

Section 4. Conflict of Interest. The Directors and elected and appointed Officers when acting in their elected or appointed capacity shall act and vote in the best interests of DERA without influence of any conflict of interest.

- (a) Definition – A conflict of interest shall exist on an issue or matter being considered by the Board of Directors if the Director or Officer, or a member of the immediate family of the Director or Officer, is:
 - (1) Financially affected by the issue or matter being considered; or
 - (2) A director, officer, employee, owner, potential financial beneficiary, or holder of a financial interest, in any corporation, partnership, association, or other organization that is a competitor of DERA or may be affected by the issue or matter being considered.

A Director or Officer’s involvement as a member, director or officer of CAR or NAR is not a conflict of interest within this definition. The fact that a Director or Officer pays fees or annual dues to a local board/association, CAR or NAR does not create a conflict of interest within this definition. The fact that a particular issue may affect DERA does not create a conflict of interest within this definition for a DERA Director or Officer.

- (b) Quorum – The presence of a Director or Officer who has a conflict of interest may be counted in determining whether a quorum is present.
- (c) Disclosure – Each Director or Officer must disclose any potential conflict of interest to the attendees in advance of any discussion or deliberation on any issue or matter in which such conflict of interest may arise.
- (d) Abstention – Each Director and Officer with a potential conflict of interest must not participate in the discussion or deliberation on the issue or matter in which the conflict of interest arises, and shall not attempt to influence the vote of that particular issue or matter. The Director and Officer shall abstain from the vote on that issue or matter. DERA shall provide the opportunity and procedure for any Director and Officer to officially record an abstention in the minutes of the meeting.

Section 5. Removal. Any Director or Officer who has a conflict of interest on any issue or matter and who violates the requirements or procedure of Section 4, may be removed from their elected or appointed capacity in the following manner:

- (a) Upon motion at any regular or special meeting of the Directors, by a Director with two seconds, a Director or Officer with a conflict of interest who violates the requirements or procedures of

Section 4 may be removed from elected or appointed office by a majority vote by secret written ballot of the Directors present. The Director or Officer who is the subject of the motion shall be given adequate opportunity during the discussion on the motion at the meeting of the Directors to respond to the motion, either individually or through an attorney, or both.

(b) A vote by the majority of Directors in favor of removal of a President, President-Elect, , or Treasurer shall be effective upon conclusion of the vote.

Section 6. Filling Vacancies Created by Removal for Conflict of Interest – Any vacancy created by removal of a Director or Officer under Section 5 shall be filled in accordance with the provisions of these Bylaws which are applicable to vacancies of Directors or Officers.

ARTICLE XII - Election of Officers and Directors

Section 1. Credentials Committee. The Affiliate Director-Elect shall chair the Credentials Committee whose task is to recruit at least one (1) candidate for each vacancy to be filled on the Board of Directors and solicit nominations for the annual “Of The Year” awards.

(a) The Credentials Committee shall consist of four standing members: the Affiliate Director-Elect, one Director, one Affiliate, one member-at-large, and the “Of The Year” selection committees shall consist of these members plus the “Of the Year” recipient in standing for the particular category.

(b) Criteria for nominees on the day of election shall be; (1) Active REALTOR® or Affiliate member and (2) current on all dues and assessments and (3) not under suspension, (4) Affiliate Member recommended by Affiliate Committee.

(c) The Credentials Committee shall then contact the prospective nominees and obtain their acceptance of the nomination. The Credentials Committee shall report the list of nominees to the general membership at a regular meeting, by mail, or by electronic means. Notification shall not take place later than 15 days prior to election.

(d) No one shall be nominated if it would cause the Board of Directors to have more than three (3) Directors from one principal office.

Section 2. Election Committee.

(a) An election committee of three persons, including one staff, will be appointed by the President for the purpose of receiving ballots, certifying ballots, counting votes and recording results of the election. An official election report shall be prepared and submitted showing the final results of the voting.

Section 3. Election Procedures.

(a) The annual election of Directors shall be determined by the Board of Directors at least thirty (30) days in advance.

(b) Election shall be by written ballot transmitted to members not less than fifteen (15) calendar days prior to the annual election date, accompanied by election policy and procedures as established by the Board of Directors.

(c) Those eligible to vote in the election are REALTOR® members in good standing in the Association.

(d) Where permitted by state law, and in accordance with applicable state requirements, election of Directors may be conducted by electronic means in accordance with Policies established by the Board of Directors.

Section 4. Officer Elections.

(a) Directors currently holding office and Directors for the ensuing year shall elect officers for the ensuing year. Officers to be elected by the Board of Directors are President, President Elect, , and Treasurer. Only those Directors who have served as an Officer or Director within the Association for one (1) year shall be eligible for election to the position of Officer.

(b) Upon confirmation of 1/2 of the eligible voting Directors, the President-Elect shall advance to the office of President., and the Board of Directors shall elect a new President-Elect. If the President Elect is unable to advance to the office of President, the Board of Directors shall elect a new President from the Directorate.

(c) Within thirty (30) days of the Annual Board of Directors Election, a meeting will be called of all current Directors and newly elected Directors for the purpose of electing officers for the ensuing year. Report of the election will be announced to the membership at the next general membership meeting following such election or in the Association's official publication, whichever occurs first.

(d) Officers will take office on October 1st and shall hold their respective offices through September 30th of the following year.

Section 5. Vacancies. All vacancies occurring on the Board of Directors as a result of the resignation of a Director shall be filled by appointment by the President with confirmation of the Board of Directors. Such appointees shall serve until the end of the vacating Director's elected term.

ARTICLE XIII - Meetings

Section 1. Annual Meetings. The annual Meeting of the Association shall be held at a date, time and place to be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular date, time and place of meetings. Absences from three of the board's regularly scheduled meetings in any elective year will be construed as a resignation there from, subject to ratification by the Board of Directors. However, such Director may request a hearing by the Board of Directors, which may grant exceptions for mitigating and/or extenuating circumstances. A quorum at Directors meetings shall be a simple majority.

Section 3. Meetings of Executive Committee. The President may at his discretion call meetings of the Executive Committee to conduct business as prescribed or authorized by the Board of Directors.

Section 4. Special Board of Directors Meetings. Special meetings of the Board of Directors may be called by the President or upon request of a majority of the Board of Directors.

Section 5. 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 (10) percent of the REALTOR® Members.

Section 6. Notice of Membership Meetings. Written notice shall be given to every member entitled to

participate in the meeting at least seven (7) days prior to such meeting.

Section 7. Quorum. A quorum for the transaction of business shall consist of five (5) percent of the Members eligible to vote. Only REALTOR® members in good standing shall be allowed to vote.

Section 8. Resolutions. No resolution shall be presented to the Membership unless such resolution is supported by a petition containing the signatures of twenty (20) percent of the REALTOR® Membership.

Section 9. Officer and Director Installation. The annual Installation of Officers and Directors shall be held in September of each year at a time and place to be designated by the Board of Directors.

Section 10. Budget. There shall be a budget for the Association's subsequent year approved by the Board of Directors. The Board of Directors shall vote on the subsequent year's budget at their last meeting of the old fiscal year (September).

Section 11. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or Membership may conduct business by electronic means.

ARTICLE XIV - C.A.R. Director Elections

Section 1. Election Procedures.

(a) The Association will elect the number of Directors for the Colorado Association of REALTORS® (C.A.R.) as allocated according to the Association's membership total as of March 1st each year, except that one of the C.A.R. Directors shall be the Immediate Past President of the Association. The term of office for elected Directors is three years. The term of office for the Director serving as the Immediate Past President shall be one year. If the Immediate Past President cannot or will not serve as a C.A.R. Director, the President will appoint a C.A.R. Director to serve a one year term, subject to approval by the Board of Directors.

(b) All Nominating Committee, Election Committee, Election Procedures including dates and periods of time, publishing of nominees and absentee voting procedures shall be the same for the C.A.R. Director Election as provided for the Election of Officers and Directors in Article XII.

(c) The Chief Executive Officer shall notify the Colorado Association of REALTORS® of the names of those C.A.R. Director(s) elected by the Association by August 1st of each year.

(d) In the event of the resignation of a C.A.R. Director, the Board of Directors shall designate an individual to fill the unexpired term.

ARTICLE XV - Committees

Section 1. Committees. The President shall appoint from among the Active Members, subject to confirmation by the Board of Directors, such Committee Chairpersons as he deems to be necessary.

Section 2. Organization. All Committees shall be of such size and shall have such duties, functions and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these Bylaws. Committee Chairpersons and Committee Members shall not have the authority to enter into any contractual agreements or otherwise obligate the Association financially.

Section 3. Ex-Officio Members. The President and Chief Executive Officer shall be Ex-Officio Members of all Committees and shall be notified of their meetings.

ARTICLE XVI - Fiscal and Elective Year

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

ARTICLE XVII - 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 XVIII - Amendments

Section 1. These Bylaws may be amended by a 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 a meeting, or for revision by mail balloting. 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. A full review of the Bylaws will take place every odd year.

Section 2. Notice of all meetings at which such amendments are to be considered shall be transmitted in writing to every Member at least fifteen (15) days prior to the time of the meeting or due date determined for mail or electronic means balloting.

Section 3. Amendments to these Bylaws affecting the admission or qualification of Members, of the use of the terms REALTOR® and REALTORS®, shall become effective upon their approval by the Board of Directors of the National Association of REALTORS®.

ARTICLE XIX - Dissolution

Section 1. Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Colorado Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XX - Multiple Listing Service

Section 1. Authority. In order to provide the Multiple Listing Service (MLS) for its members, the Association has entered into an agreement with Metrolist, Inc., an Association-owned regional MLS. Participants as

described in Section 4 (of said agreement) are subject to the Bylaws of the Association and the Rules and Regulations as adopted by the Association and the Shareholders committee for such rules and regulations. Participation is by application and approved by agreement directly with Metrolist, Inc.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of cooperation and compensation to other Participants (acting as subagents, buyer agents, transaction broker, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale (or lease).

Section 3. Governing Documents. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform to its Corporate Charter, Constitution, Bylaws, Rules, Regulations, and Policies, Practices, and Procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the National Association of REALTORS®.

Section 4. Participation. Any REALTOR® Member of this or any other Member Association, who is a principal, partner, or corporate officer, or supervising broker acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "Participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an Association Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed or published by an Association Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or

potential participant that operates a “Virtual Office Website” (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

Section 5. Supervision. The Metro MLS Rules & Regulations Committee shall supervise and operate the participation and activity of its REALTOR® Participants in accordance with the Rules and Regulations subject to the approval of its Metrolist Shareholders' Representatives.

Section 6. Representation, Number and Term.

The Board shall have the appropriate number of representatives on the Metrolist Board of Directors as determined by the Metrolist Board of Directors. The Metrolist Directors shall be appointed by the President of the Board of Directors and ratified by the Directorate prior to the Metrolist, Inc. annual shareholders' meeting, and will serve a term as determined the Metrolist Bylaws. Terms are to be staggered and a director may serve no more than three (3) consecutive appointed terms. In the event of a vacancy, the President shall have the authority to appoint a replacement Director and be ratified by the Directorate to fill the remainder of the unexpired term. Metrolist Directors will not act as the Shareholder unless otherwise appointed by the President for such representation.

Such appointment(s) may be terminated by the Association at anytime with or without cause, by the Board of Directors.

ARTICLE XXI - Indemnification

Section 1. Indemnification of Directors and Officers. The corporation shall, to the full extent permitted by Colorado law, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that he is or was a Director or Officer of the corporation. The right of indemnification shall inure to the benefit of the heirs, executors, administrators, and personal representatives of the Director or Officer.