



Bylaws of the Archuleta County Board of REALTORS® dba Pagosa Springs Area Association of REALTORS®

Adopted August 22, 2011

Amended November 19, 2019

Amended August 25, 2023

ARTICLE I - NAME

Section 1. Name.

The name of this organization shall be the Archuleta County Board of REALTORS®, Incorporated, dba Pagosa Springs Area Association of REALTORS®, Inc., hereinafter referred to as the "Association".

Section 2. REALTOR® Trademark.

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

ARTICLE II - OBJECTIVES

The objectives of the Association are:

Section 1.

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

Section 2.

To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3.

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

Section 4.

To further the interests of home and other real property ownership.

Section 5.

To unite those engaged in the real estate profession in this community with the 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 OF REALTORS® is all of Archuleta County, Alamosa County, Conejos County, Costilla County, a portion of Hinsdale County, a portion of Mineral County, Rio Grande County and Saguache County.

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 thirteen classes of members as follows:

(a) **REALTOR® Members.** REALTOR® Members, whether primary or secondary shall be:

(1) Principals: 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 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 or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership except as provided in the following paragraph in a Board of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in this section.

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

connections 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 this section.

NOTE: REALTOR® Members may obtain membership in a "Secondary" association in another state.

(2) **Non-Principals:** 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.

(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 the rights privileges, and obligations of REALTOR® membership (including compliance with the Code of Ethics) EXCEPT: obligations related to Board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; the right to hold elective office in the local board, State Association and National Association.

(4) **Primary and Secondary REALTOR® Members.** An individual is a primary member if the 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 Board. 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.

(5) **Designated REALTOR® Members.** Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to mediate and arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of these 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 these Bylaws.

(6) **Personal Assistants.**

(a) *Licensed:* Licensed Personal Assistants shall be individuals who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, hold a valid real estate license and perform certain duties for a specific REALTOR® or REALTOR® firm. This individual will be entitled to all Association services as a regular member and can participate in MLS meetings for their employer. Yearly fees are the same as regular membership.

(b) *Non-Licensed:* Non-Licensed personal assistants shall be individuals who perform certain duties for a specific REALTOR® firm. Non-licensed personal assistants may attend Association functions and participate in MLS training.

(7) Office Managers.

(a) *Licensed*: Licensed office managers shall be individuals who perform certain duties for a specific REALTOR® firm and hold a valid real estate license. Yearly fees are the same as regular membership.

(b) *Non-Licensed*: Non-Licensed office managers shall be individuals who perform certain duties for a specific REALTOR® firm. Non-licensed office managers may attend Association functions and participate in MLS training.

(8) Military Service. Annual dues and monthly fees will be waived for any REALTOR® member called to active military duty. This policy will remain consistent with NAR policy regarding waived dues for military service.

(b) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation award 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 members.

(c) Affiliate Members. Affiliate Members may be individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a), (b) or (c) of this Section, have interests requiring information concerning real estate, or provide a product or service that is of interest to the REALTOR® members, and agree to support 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.

(d) Public Service Members. Individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business, may be eligible for affiliate membership.

(e) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public. Honorary members shall also include the Colorado Association of REALTORS® state president during their one-year term in office.

(f) Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application.

The Association of REALTORS® should be representative of those engaged in the real estate business in the area which it serves. As a trade association, it should open its activities to all qualified persons and invite them to join in voluntary association for the good of the public.

An application for Membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to Membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to 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.

- a. New licensees joining a Member office shall file with the Association office a new Member application, with the appropriate fees, within thirty (30) calendar days of the issuance of their license by the Real Estate Commission, or the Association will send non-member assessment to the employing broker. The issue date is determined by the active date of the license, not when the license is received in the Member office.

Existing licensees that are a non-member and transferring to a Member office shall file with the Association office a new Member application, with the appropriate fees, within thirty (30) calendar days of the transfer being filed with the Real Estate Commission, or the Association will send non-member assessment to the employing broker.

Section 2. Qualification.

(a) Principal: An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association that he is actively engaged in the real estate profession, and maintains a current, valid Colorado real estate broker'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 and physical office location within the state of Colorado or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction

covering the Bylaws and rules and regulations of the Association, the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon, as may be required, and shall agree that if elected to membership, will abide by such *Constitution, Bylaws, rules and regulations, and Code of Ethics.*

NOTE: NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the Association may only consider

- A. Judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. Criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

NOTE: 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, or 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) years from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceeding, the member may be placed on a “cash basis” from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

(b) Non-Principals: Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated whether as an employee or as an independent contractor with a Designated REALTOR® member of the Association or a Designated REALTOR® member of another Association (if a secondary member) and must maintain a current, valid Colorado real estate broker’s license, or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall complete a course of instruction covering the Bylaws and rules and regulations of the Association, the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory

written examinations thereon as may be required by the membership committee, and shall agree in writing that if elected to membership he/she will abide by such *Constitution*, Bylaws, rules and regulations, and the Code of Ethics.

NOTE: NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the Association may only consider

- A. Judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. Criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date (Amended 5/07)

NOTE: 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, or 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) years from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceeding, the member may be placed on a “cash basis” from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

(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; and
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant’s firm. (Amended 06/2006)

NOTE: 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: Provided all other qualifications for membership have been satisfied, the Association 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) New Member Orientation referred to in subparagraph (a) must be taken and completed by the applicant within 180 days after making application for REALTOR® Membership. Failure to satisfy this requirement within 180 days of the date of application will result in denial of the membership application and termination of membership.

NOTE: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®
(Adopted 1/01)

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

- a. Applicants for REALTOR® (and REALTOR-ASSOCIATE®, where applicable) 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) between application date and the date of first orientation class offered, Membership may, at the discretion of the Board of Directors, be terminated.
- b. 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 (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.

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

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

Section 4. New Member Code of Ethics Orientation.

Applicants for REALTOR® Membership and provisional REALTOR® Members (where applicable) 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 six months from the date provisional Membership was granted will result in denial of the Membership application or termination of provisional Membership.

Section 5. Continuing Member Code of Ethics Training.

Effective January 1, 2019, through December 31, 2021, and for successive three (3) year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS®, or the NATIONAL ASSOCIATION OF REALTORS®, 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 (3) year cycle shall not be required to complete additional ethics training until a new three (3) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three (3) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3) year cycle or until the requirement is met, whichever occurs sooner. On

March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes.

- a. A REALTOR® who changes the conditions under which he holds Membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied Membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of Membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of Membership to which they have transferred within 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® (or REALTOR-ASSOCIATE®, where applicable) who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of Membership during the period of transition. If the transfer is not completed within 30 days of the date the Board 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.)

- b. Any application fee related to a change in Membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.
- c. Dues shall be prorated from the first day of the quarter 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 specified in this Article.

Section 2.

Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics 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, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3.

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

Section 4.

Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for Membership upon payment in full of all such monies owed.

Section 5.

If a member resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Associations to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

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

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

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

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

Section 7. Institute Affiliate Members

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

NOTE: The Association establishes 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 Association; or to be a participant in the Association's Multiple Listing Service.

Section 8. Affiliate Members.

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

Section 9. Public Service Members.

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

Section 10. Honorary Members.

Honorary Membership shall confer only the right to attend meetings and participate in discussions.

10.1 The Colorado Association of REALTORS® elected president shall be named an honorary Member of the Pagosa Springs Area Association of REALTORS®.

Section 11. Student Members.

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

Section 12. Certification by REALTOR®.

"Designated" REALTOR® Members of the Association shall certify to the Association during the month of August on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary Association for each individual who holds Membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® Dues have been paid to another Association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws.

"Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within fourteen (14) days of the date of affiliation or severance of the individual.

Section 13. Harassment.

The Pagosa Springs Area Association of REALTORS® believes in providing a work environment free from all forms of illegal harassment, whether they be sexual, racial, ethnic or any other offensive action that is made as an explicit or implicit condition of employment or volunteerism which interferes with the appropriate conduct of business. It is the policy of the Association to prohibit the harassment of any employee or association officer or director.

Sexual harassment is defined by the Equal Employment Opportunity Commission as:

Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of sexual nature when:

- (a) Submission to such conduct is made explicitly or implicitly a term or condition of an individual's employment;
- (b) Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such an individual; or
- (c) Such conduct has the purpose or effect of substantially interfering with the individual's work performance or creating an intimidating, hostile, or offensive working environment.

Any Member of the association may be reprimanded, placed on probation, suspended, or expelled for harassment or any other offensive action toward an association or MLS employee, officer, or director after an investigation in accordance with the procedures of the association. The decision of the appropriate disciplinary action to be taken shall be made by a team of investigators comprised of the President and President-Elect and one Member of the Board of Directors selected by the highest-ranking officer not named in the complaint, upon consultation with counsel for 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. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President, or alternatively, by another Member of the Board of Directors selected by the highest-ranking officer not named in the complaint.

NOTE: Suggested procedures for processing complaints of harassment are available online at <http://www.REALTOR.org>, or from the Member Policy Department. (Amended 5/08)

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1.

The responsibility of the Association and 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 amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2.

It shall be the duty and responsibility of every REALTOR® Member of this Association to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® Members also must abide by the governing documents and policies of the Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®, 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. It shall also be the duty and responsibility of every REALTOR® Member of this Association to abide by the rules and regulations of the Colorado Real Estate Commission.

Section 3.

The responsibility of the 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 Professional Standards Service Agreement entered into by the Association with the Colorado Association of REALTORS®, which is attached as Exhibit A.

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. (Amended 1/01)

Section 4.

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

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1.

The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Colorado 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 Colorado 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 (1) 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 OF REALTORS® 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 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. If a REALTOR® Member resigns and rejoins the association within thirty (30) days, the application fee shall be waived.

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 additional amount to be established annually by the Board of Directors times the number of Broker Associates and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Association in the state or a state contiguous thereto or Institute

Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Board to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds Membership, and any other offices of the firm located within the jurisdiction of this Association. * (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 office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, 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®. Designated REALTORS® shall notify the Association within three (3) days of any change in status of licensees in a referral firm.

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

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® Membership in the association. However, Membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® Membership during the preceding calendar year. (Amended 5/03)

- b. **REALTOR Members.** The annual dues of REALTOR® Members other than the Designated REALTOR® shall be in an amount 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 X, Section 2 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 (\$105). The National Association shall credit \$35 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 \$35 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 \$35 to the account of the 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 an amount as established annually by the Board of Directors.
- e. **Public Service Members.** The annual dues of each Public Service Member shall be in an amount as established annually by the Board of Directors.
- f. **Honorary Members.** Dues payable, if any, shall be at the discretion of the Board of Directors.
- g. **Student Members.** Dues payable, if any, shall be at the discretion of the Board of Directors.

Section 3. Dues Payable.

Dues for all Members shall be payable annually in advance of the 31st day of December. Dues shall be computed from the date of application in granting of provisional Membership.

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

Section 4. Non-payment of Financial Obligations.

If dues, fees, fines, or other assessments including amounts owed to the Association are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, Membership of the

nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, Membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his Membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions, or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for Membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposit.

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

Section 6. Expenditures.

The Board of Directors shall administer the day-to-day finances of the Association. All capital (depreciable asset) expenditures may not be made unless authorized by the Board of Directors at any meeting at which a quorum is present.

Section 7. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members.

All dues, fees, fines, assessments, or other financial obligations to the Association shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 8.

The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents 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 appointed officers of the Association shall be President, President-Elect, Secretary and Treasurer. These Officers shall be appointed by the Board of Directors from current members of the Board of Directors during the month of August, each year. The Officers so appointed shall begin their term as an officer beginning the following December 1. The Secretary and the Treasurer shall be appointed for a term of two (2) years. The President-Elect will be appointed to serve one (1) year as President-Elect, the following year as President and the final year as Past President. The Past President shall serve as the CAR Director for a term of one (1) year. In the event the President-Elect, the President or the CAR Director is unqualified, unable, or unwilling to serve, the Board of Directors shall appoint said Officer(s) in accordance with the procedures described within these Bylaws.

Section 2. Duties of Officers.

- (a) The President shall be the Chief Officer of the Pagosa Springs Area Association of REALTORS®, Inc. and shall preside at its meetings and those of the Board of Directors.
- (b) The President Elect shall perform the duties of the President in the event of his absence or disability and shall have powers and duties as may be prescribed by the Board of Directors or the President. In the absence of unforeseen circumstances, the President Elect shall succeed to the office of the President. If the office of the President should become vacant between elections, the President Elect shall fill the vacancy and complete the unexpired term. The President Elect who fills a vacancy in the office of President shall automatically become President for a full term after completion of the unexpired term. The President Elect shall have one (1) year experience on the Board of Directors prior to appointment by the Board of Directors to this office.
- (c) The Treasurer shall be the custodian of the funds and securities of the Association and shall direct the deposit of funds and securities in such depositories and in such manner as the Board of Directors may designate and direct and perform such other duties as are customary to the position.
- (d) The Secretary shall keep records of the Association and perform such other duties as are customary to the position including acting as Secretary for the Association and the Board of Directors.
- (e) There shall be a chief staff executive, appointed 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.

Section 3. Board of Directors.

The governing body of the Association shall be a Board of Directors, eleven (11) members in total, consisting of the elected officers and seven (7) REALTOR® Members of the Association. Directors shall be elected to serve for terms of three (3) years. Annual Terms for Directors and Officers shall commence on December 1 of each year and terminate on November 30th of each year.

Section 4. Election of Directors.

At least two (2) months before the annual election, a Nominating Committee of five (5) REALTOR® Members shall be appointed by the President with the approval of the Board of Directors. The five Committee Members will consist of three (3) Directors and two Members at large. The Nominating Committee shall receive nominations from the Membership and based on those nominations, shall prepare a proposed slate of Directors. The proposed slate shall be presented to the Board of Directors for their approval. Upon approval of the slate by the Board of Directors, a copy of the ballot shall be made available to each Member eligible to vote at least three (3) weeks prior to the election.

Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 50% of the REALTOR® Members eligible to vote. The petition shall be filed with the Secretary at least four (4) days before the election opens. The Secretary shall send notice of such additional nominations to all Members eligible to vote before the election opens.

- a. All Directors nominated shall be in good standing with the Pagosa Springs Area Association of REALTORS® and the Colorado Real Estate Commission and shall not be subject to any disciplinary action of the Association or Commission at the time of nomination.
- b. Where permitted by state law, and in accordance with applicable state requirements, election of Directors may be conducted by electronic means, in accordance with procedures established by the Board of Directors. (Article XIII, Section 6.)
- c. The election of Directors may take place at or before the annual meeting, but not later than October 31 of each year. The ballot shall contain the names of all candidates and the offices for which they are nominated. If the election is at the annual meeting it shall be by ballot. All votes shall be cast in person, by absentee ballot or via electronic technologies as they become available. Absentee voting will be held at the Association office during regular Association office hours when a staff member or a REALTOR® Member of the election committee is present. All voting must be received by the Association office within a specific period as stated on the ballot. Electronic votes must include the Member's signature and/or trusted identification to be considered valid. A quorum for Membership as defined in Article XIII, Section 5, will be a combination of present, absentee, and electronic votes.
- d. The President, with the approval of the Board of Directors, shall appoint an Election Committee of two (2) REALTOR® Members to conduct the election if it is not an electronic vote. If the election is an electronic vote via the Internet, the Association Executive will conduct the election. In the case of a tie vote, the issue shall be determined by a majority ballot vote of the Board of Directors at which a quorum is present.

Section 5. Vacancies.

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

Section 6. Removal of Officers and Directors.

If an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

- a. A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting Membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- b. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45)

days thereafter, a special meeting of the voting Membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.

- c. The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

Section 7. Conflict of Interest

Association Officers, Directors and Committee Members, whether elected or appointed when acting in their elected or appointed capacity, shall act and vote in the best interests of the Association without influence of any conflict of interest.

- a. A conflict of interest shall exist on an issue or matter being considered by the Association if the Director or a Member of the immediate family of the Director is:
 1. Directly or indirectly a party in a contract or transaction with the Association or between the Association and any other corporation, partnership, association, or other organization in which such a Director is a director, officer, has a financial interest in or receives or seeks to any financial benefit from.
 2. Is a director, officer, has a financial interest in or receives or seeks to receive any financial benefit from any other corporation, partnership, association, or other organization that is in direct competition with a program offered or being considered by the Association.
- b. A conflict of interest shall also exist when a Director is a licensee in an office at issue by the Board of Directors.
- c. The fact that an Officer or Director pays fees to the Association, the Colorado Association of REALTORS® (C.A.R.) and the National Association of REALTORS® (N.A.R.) does not create a conflict of interest within this definition.
- d. The presence of an Officer or Director who has a conflict of interest may be counted in determining whether a quorum is present.
- e. Each Officer or Director must disclose any potential conflict of interest to the other Directors in advance of any discussion or deliberation on any issue or matter in which conflict may arise.
- f. Each Officer or Director 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 on that particular issue or matter. The Director shall abstain from the vote on that issue or matter. The Association shall provide the opportunity and procedure for any Director to officially record an abstention in the minutes of the meeting.

Section 8.

Removal of an Officer or Director who has a conflict of interest on any issue or matter and who

violates the requirements or procedure of Article XI, Section 7, may be removed from their elected or appointed capacity in the following matter:

- a. Upon a motion made at any regular or special meeting of the Directors, by a Director, with two seconds, a Director with a conflict of interest who violates the requirements or procedures of Article XI, Section 7 may be removed from elected or appointed office by a majority vote by secret written ballot of the Directors present. The Director 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, Secretary or Treasurer or another Director shall be effective upon conclusion of the vote.
- c. The Association President or CAR Director serves as a Member of the CAR Board of Directors. If the Association receives from CAR a certified vote of the CAR Board of Directors for removing an Association CAR Director (either the Association President or the CAR Director) the Board of Directors shall vote within 30 days on the removal of the Association's CAR Director. The removal of the CAR Director shall be effective upon the vote by the Association. Deference shall be given to any certification of removal from CAR.

Section 9. Filling Vacancies Created by Removal for Conflict of Interest

Any vacancy created by removal of a Director under Article XI, Section 8 shall be filled in accordance with the provisions of these Bylaws which are applicable to vacancies of Directors or Officers.

ARTICLE XII - ELECTION OF COLORADO ASSOCIATION OF REALTORS® DIRECTORS

Section 1.

In the event the Past President is unable or unwilling to serve as the CAR Director, the Association as provided in Article 8, Section 8.1 of the CAR Bylaws, will elect or appoint the number of Directors as allocated according to the Association's REALTOR® Membership as of March 31st of each year to the CAR Board of Directors for the terms designated by the CAR Directors.

Section 2. Eligibility.

Candidates for the CAR Director shall have a minimum of one (1) year experience on the Board of Directors.

ARTICLE XIII - MEETINGS

Section 1. Annual Meetings.

The annual meeting of the Association shall be held on a date, place, and hour to be designated by the Board of Directors.

Section 2. Meetings of Directors.

The Board of Directors shall designate a regular time and place of meetings. Absence from two

(2) regularly scheduled consecutive meetings or three (3) regularly scheduled meetings within an elective year shall be construed as resignation. A quorum shall consist of six (6) Officers and Directors.

Section 3. Other Meetings.

Meetings of the Members may be held at other times as the President or the Board of Directors may determine or upon the written request of at least 25% 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 one (1) week preceding all meetings. If a special meeting is called, 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 20% of the Members eligible to vote.

Section 6. Electronic Voting.

Membership electronic voting shall be allowed, at the discretion of the Board of Directors. Electronic voting may include one or all of the following: facsimile, email, and other transmission technologies as they become available. The electronic voting must be received at the Association office and shall be limited to a specific time period as stated on the ballot and must include the Member's signature and/or trusted identification. Should the Member signature not be on the ballot, or the identification cannot be validated by PSAAR Staff then that ballot shall be considered invalid. Electronic ballots not received by the Association office in the stated period on the ballot shall be invalid. A quorum for a Membership electronic vote shall be the same as for a Membership meeting.

Section 7. Absentee Voting.

Absentee voting will be held at the Association office during regular Association office hours when a staff member or a REALTOR[®] Member of the Election Committee is present. Voting must be cast within the specified period as voted by the Board of Directors.

ARTICLE XIV – COMMITTEES

Section 1. Standing Committees.

Each year the President shall determine standing committees and shall appoint or terminate Committee Members subject to confirmation by the Board of Directors. A sample of optional Committees are as follows:

Community Service Committee
Finance/Personnel Committee
Government Affairs Committee

Section 2. Special Committees.

The President shall appoint special committees as deemed necessary, subject to confirmation by the Board of Directors. The President shall appoint or terminate Committee Members, subject to

confirmation by the Board of Directors.

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 an ex-officio Member of all standing committees and shall be notified of their meetings.

ARTICLE XV - FISCAL AND ELECTIVE YEAR

Section 1.

The fiscal year of the Association shall be January 1 to December 31. The elective and leadership 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, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by N.A.R. policy. These bylaws may also be amended by an absentee and/or electronic vote of the Members as specified in Article XIII Section 6.

Section 2.

Notice of all meetings at which amendments are to be considered shall be mailed to every Member eligible to vote at least seven (7) calendar 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[®] and REALTORS[®], or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS[®].

ARTICLE XVIII - DISSOLUTION

Section 1.

Upon the dissolution or winding up of affairs 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 XIX - MULTIPLE LISTING SERVICE

Section 1. Authority. The Association of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation in the state of Colorado, of which stock shall be owned by the Participating Shareholders of the Association of REALTORS®.

Section 2. Purpose. A multiple listing service is a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in other agency or nonagency 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 a procuring cause of the sale (or lease). (Amended 11/04)

Section 3. Governing Documents. In addition to the governance of these Association Bylaws, all members who participate in any MLS services provided through the association shall abide by all Bylaws, Rules, Regulations, and policies of the Colorado Real Estate Network.

Section 4. Participation. Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a 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 or 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 by 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)

EXHIBIT A

Professional Standards Service Agreement Colorado Association of REALTORS®

1. This Agreement is between the Colorado Association of REALTORS® (CAR) and the undersigned local association/board (the "Local Board"). This Agreement hereby supersedes and replaces any and all prior agreements, whether oral or written, between the parties.
2. The purpose of this Agreement is to establish the statewide professional standards enforcement program for Local Board by providing for the appointment of Mediation Officers and Ombudsman, and the establishment of the role of the statewide Grievance Committee, Professional Standards Committee, and an Appeal Panel comprising members from the State of Colorado.
3. CAR will assist the Local Board by administering Ethics Complaints and Requests for Arbitration arising in the geographic area served by the Local Board. Local Board shall file a case with CAR by forwarding the ethics complaint or arbitration request to CAR as soon as possible but no later than 10 days after the Board receives it. CAR's Grievance Committee, not the Board, shall decide whether the matter should be referred for hearing, in its sole and subjective discretion.
4. Professional Standards hearings and the organization and procedures incident thereto shall be governed by the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS® as amended from time to time, and as adapted to conform to the provisions of applicable state law. It is hereby agreed that these procedures shall be considered to have the same effect as if adopted and incorporated into the bylaws of the Local Board.

TERMS AND CONDITIONS

5. All claims shall be filed directly with CAR by the actual parties to the action. The Local Board may provide information about the Professional Standards procedures to its members or consumers, including CAR information, forms, costs and fees, and required information for filing an Ethics Complaint and/or Request for Arbitration, however the Board shall refer the Complainant directly to CAR to file their Complaint or Request for Arbitration.
6. Local Board agrees that it will not adopt any Professional Standards policies or procedures that are inconsistent with the CAR Professional Standards Policy Manual, as it may be updated by the CAR Professional Standards Committee from time to time.

7. Local Board agrees to make no commitments as to time frame in which professional standards hearings will be accomplished and/or location of where said hearings may take place.
8. Local Board agrees to appoint two (2) of its members to serve on the CAR Professional Standards Committee, in accordance with the Professional Standards Policy Manual. The Professional Standards Committee is comprised of members from local boards in the state. These appointed members shall also serve as hearing panel members and must comply with the training requirements set forth in the Professional Standards Policy Manual.
9. Local Board agrees to assist CAR in the enforcement of disciplinary action imposed by an Ethics Hearing Panel and ratified by the CAR Leadership Council acting as the Board of Directors for an Ethics Complaint.
10. CAR shall maintain a pool of mediation officers. The utilization of the service of mediation shall be voluntary, unless REALTORS® (principals) are required by their Local Board to mediate otherwise arbitrable disputes pursuant to Article 17*. And although the process is not defined as a tribunal, all parties to any requested arbitration shall be provided the opportunity to mediate a dispute arising out of a real estate transaction and their relationship as REALTORS® prior to the arbitration of the dispute.
11. This Agreement shall become effective upon written acceptance by CAR and shall stay in effect from the date accepted below unless terminated by either party giving notice in writing at least thirty (30) days in advance of the termination date.

FEES AND COSTS

12. The cost for CAR to provide and administer all Professional Standards services for Local Board shall be \$500.00 per year for the first three cases processed during the calendar year. Thereafter, the Local Board shall pay a fee of \$250.00 per case for any matter that is forwarded to a hearing panel by the Grievance Committee.
13. Fees and costs to process ethics complaints and arbitration requests received by CAR shall be established by CAR and may change from time to time. CAR shall advise the local Board at least 60 days prior to any change in the fees.

The parties have executed this Agreement on the dates set forth below.

Local Board:

PAGOSA SPRINGS AREA ASSOCIATION OF REALTORS

Name of Local Board

Meissa Swearingin

Signature

MEISSA SWEARINGIN

Print Name

ASSOCIATION EXECUTIVE

Title

02/14/2019

Date

Colorado Association of REALTORS®:

By: *Lauren Feigin* Date: _____
Lauren Feigin
Vice President, Legal & Risk

*Requiring REALTORS® (principals) to mediate otherwise arbitrable disputes requires establishment of an affirmative obligation in the Local Board's governing documents. Enabling bylaw provisions can be found at REALTOR.org.