

# BYLAWS OF THE SOUTHERN MARYLAND ASSOCIATION OF REALTORS®, INCORPORATED

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## ARTICLE I – NAME

**Section 1.**      **Name.** The name of this Organization shall be the Southern Maryland Association of REALTORS®, Incorporated, hereinafter referred to as the "Association."

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

## ARTICLE II – OBJECTIVES

The objectives of the 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 Maryland 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® shall include all of Calvert, Charles, and St. Mary's Counties in the State of Maryland.

**Section 2.** Territorial jurisdiction is defined to mean:

- (a) The right and duty to control the use of the terms REALTOR®, 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 seven classes of Members as follows:

- (a) REALTOR® Members. REALTOR® Members, whether primary or secondary, shall be:
  1. Individuals who, as sole proprietors, partners, corporate officers, or branch office managers are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office located in the state of Maryland 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 or association of REALTORS® within the state unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. (Amended 1/01).
  2. 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 of these Bylaws.
  3. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchises 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 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 a Board or 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 or 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" Board.
  5. 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 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.
- (b) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.
  - (c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.
  - (d) Public Service Members. Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.
  - (e) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.

- (f) Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree 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.
- (g) REALTOR® EMERITUS. A REALTOR® Member who has held membership in the National Association of REALTORS® as a REALTOR® or REALTOR®-ASSOCIATE®, or both, for a cumulative period of forty (40) years, upon certification by the National Association of REALTORS® Board of Directors shall be designated REALTOR® EMERITUS.

## **ARTICLE V - QUALIFICATION AND ELECTION**

### **Section 1.**     Application

- (a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant: (1) that the 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 Constitutions and Bylaws and Rules and Regulations of the Association, State and National Association, and if a REALTOR®, will abide by the Code of Ethics of the National Association of REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as from time to time amended. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitutions, Rules and Regulations, and Code of Ethics referred to above.

### **Section 2.**     Qualification.

- (a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of 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®, agrees that if elected to membership, will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

**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. (Adopted 1/01). \*SMAR is an all REALTOR® Association.

- (b) Individuals who are actively engaged in the real estate profession other than as principals, partners, or corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Board or Association in the case of secondary membership, and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, 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 agrees in writing that if elected to membership, will abide by the Code of Ethics of the National Association of REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Association, State Association, and the National Association.
- (c) The Association shall 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. (Amended 6/2006)
- (d) "Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2 (a) NOTE 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

**Section 3.**     Approval of Membership

The procedure for 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® (or REALTOR-ASSOCIATES®) and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the board of directors. If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 150 days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated.
  
- (b) Dues shall be computed from the date of application 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/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The board of directors may also have counsel present. The board of directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.
  
- (d) If the board of directors determines that provisional membership should be terminated, it shall record its reasons with the chief staff executive. If the board of directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the 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. (Adopted 1/98, Amended 1/05)

**Section 4.**     New Member Code of Ethics Orientation.

Applicants for REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership 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 150 days will result in denial of the membership application or termination of provisional membership.

*Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the National Association of REALTORS®. (Adopted 1/01)*

#### **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 minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the National Association of REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the National Association of REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any 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 for which REALTOR® membership shall be suspended until such time as the training is completed.

Failure to meet the requirement for any subsequent four (4)-year cycle 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. (Adopted 1/01, revised 5/05)

#### **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 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 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.

## **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 National Association of REALTORS® as adopted by 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 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, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

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

**Section 6.** REALTOR® Members.



- (a) REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and hold elective office in the Association.
- (b) REALTOR® Members may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII.
- (c) 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 REALTOR® Member is a principal in a firm, partnership, or corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.
- (e) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(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 6(d) shall apply.

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

*NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to serve as President of the local association; or to be participants in the local associations' Multiple Listing Service.*

**Section 8.**     Affiliate Members. Affiliate Members in good standing whose financial obligations to the Association are paid in full shall be entitled to serve as a Director on the Board of Directors as provided in Article XI, Section 3 of these Bylaws. Affiliate members may not serve as an officer

of the Association and shall not be entitled to vote on any matter at the Annual meeting or any general membership meeting of the members.

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

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

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

**Section 12.** Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association during the month of May, 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, and shall designate a primary Board or Association for each individual. 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 Board or Association based on said non-member licensees, the Designated REALTOR® shall identify the Board or Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(s) of these Bylaws. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of an individual.

**Section 13.** Harassment. Any member or employee of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association member or employee or Association 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 the investigatory team comprised of the President, and President-elect and/or Vice President and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

## **ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION**

**Section 1.** The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and

Arbitration Manual of the National Association of REALTORS®, as from time to time amended, which by this reference is made a part of these Bylaws.

**Section 2.** It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution, Bylaws, and the Rules and Regulations of the Association, the Constitution and Bylaws of the National Association of REALTORS®, and to abide by the Code of Ethics of the National Association of REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.

## **ARTICLE VIII - USE OF THE TERMS REALTOR® AND REALTORS®**

**Section 1.** Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the National Association of REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual. (Amended 06/2006)

**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 are REALTOR® Members of a Board within the state or a state contiguous thereto 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 Maryland Association of REALTORS®. By reason of the Associations' Membership, each REALTOR® Member of the Member Association shall be entitled to Membership in the National Association of REALTORS® and the Maryland Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

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

**Section 3.** The Association adopts the Code of Ethics of the National Association of REALTORS® and agrees to enforce the Code among its 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 Maryland Association of REALTORS®.

## ARTICLE X - DUES AND ASSESSMENTS

**Section 1.** Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three 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. The fee may be a differing amount for each class of membership.

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

- (a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in such amount as fixed and determined annually by a majority of the Board of Directors plus an additional amount, to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR®, and (2) are not REALTOR® Members of any Board or Association in the state or a state contiguous thereto or Institute Affiliate Members of a Board. 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 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 board. \* (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 a place 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 office 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 fiscal year applies for REALTOR® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding fiscal year.

- (b) The annual dues of each REALTOR® Member other than the Designated REALTOR® shall be in such amount as fixed and determined annually by a majority of the Board of Directors.
- (c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

*NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the*

*assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.*

- (d) Affiliate Members. The annual dues of each Affiliate Member shall be in such amount as fixed and determined annually by a majority of the Board of Directors.
- (e) Public Service Members. The annual dues of each Public Service Member shall be in such amount as fixed and determined annually by a majority of 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.
- (h) REALTOR® EMERITUS Members. Upon approval by the Board of Directors of the National Association of REALTORS®, no further payment of dues is necessary to the Southern Maryland Association of REALTORS®, the Maryland Association of REALTORS® and the National Association of REALTORS®.

**Section 3.** Dues Payable. Dues for all members shall be payable annually in advance on the first day of November. Dues shall be calculated from the first day of the quarter in which a Member is notified of election and shall be prorated for the remainder of the year.

- (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 licensee or appraiser 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 dues year and are payable within 30 days of the notice of termination.

**Section 4.** Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association are not paid within thirty (30) days of the due date, the non-paying member shall be required to pay, in addition to the amount of dues, special assessments or other charges, a late payment in such amount as shall from time to time be fixed by the Board of Directors. If dues, fees, fines or other assessments including amounts owned to the Association are not paid within sixty (60) days of the due date, the non-paying member shall be required to pay, in addition to the amount of dues, special assessments or other charges, a second late payment in such amount as shall from time to time be fixed by the Board of Directors.

Ninety (90) days 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/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

**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 resolution of the Board of Directors.

**Section 6**      Expenditures. The Board of Directors shall administer the Finances of the Association.

**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.

## **ARTICLE XI – OFFICERS AND DIRECTORS**

**Section 1.**      Officers. The elective officers (as set forth in Article VI, Section 6 (a)) of the Association shall be: a President, a President-Elect, a Vice President, and a Secretary-Treasurer. They shall be elected for terms of one year. Individuals elected to these offices shall be REALTORS®.

**Section 2.**      Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors.

Chief Executive Officer. There shall be a Chief Executive Officer who shall be appointed by the Board of Directors. He or she shall be the chief administrative officer of the Association, responsible to the President and the Board of Directors, who shall perform such duties as may be delegated by the Board of Directors; shall be head of the staff charged with its selection, subject to the approval of the Board of Directors; shall have supervision of the entire staff; and shall perform such other duties as may be delegated to him or her by the Board of Directors, or the President, including signing contracts and written instruments of the corporation and all other duties usual to such office. The Chief Executive Officer shall be an ex-officio Member of the Board of Directors and shall not be entitled to vote.

**Section 3.**      Board of Directors. The governing body of the Association shall be a Board of Directors all of which Directors, except as otherwise provided in this Section 3, shall be entitled to vote at any meeting, duly called, and at which a quorum is present. The Board of Directors shall consist of the elected officers of the Association as provided in Section 1 of this Article XI, the Immediate Past President, and ten (10) additional Directors; nine (9) who are REALTOR® or Affiliate-Members of the Association in good standing and one (1) Director at-large who is an Affiliate Member in good standing appointed by the President. The Additional Directors shall be elected as follows:

- (a) Three (3) Directors whose principal office is located in Calvert County; one of which may be an affiliate member;
- (b) Three (3) Directors whose principal office is located in Charles County; one of which may be an affiliate member and
- (c) Three (3) Directors whose principal office is located in St. Mary's County; one of which may be an affiliate member.
- (d) One (1) Director at-large appointed by the President, subject to the approval of the Board of Directors, not later than the first Board of Directors meeting of the new elective year.

The officers of the Association and the Immediate Past President shall serve as a Director for a term concurrent with the officer position. The Additional Directors shall serve for a two (2) year term. The appointed Director at-large shall serve a one (1) year term. Thereafter, as many Directors shall be elected each year as are required to fill the Additional Director positions then expiring each year. Any member of the Southern Maryland Association of REALTORS® serving as a National Director of the National Association of REALTORS® or an officer or Director of the Maryland Association of REALTORS® will automatically become an ex-officio, non-voting member of the Board of Directors.

**Section 4.**     Election of Officers and Directors

- (a) Presidents Council: At least ninety (90) days prior to the regularly scheduled general membership meeting in October, the Presidents Council in conjunction with Association staff shall advise the membership of vacancies among the Officers and Directors and request candidates for office, whether officer or director, be submitted to the Presidents Council on such form (or online) as from time to time adopted by the Board of Directors. The Presidents Council in conjunction with Association staff will verify that each Candidate is a member in good standing. There shall be a minimum of one (1) candidate for each office and one (1) candidate for each vacancy to be filled on the Board of Directors. In the event there are no candidates for a particular vacancy, the Presidents Council shall recruit at least one candidate for each vacancy.

The report of the Presidents Council shall be sent to each Member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 15% of the REALTOR® Members eligible to vote. The petition shall be filed with the CEO at least two (2) weeks before the election. The CEO shall send notice of such additional nominations to all Members eligible to vote before the election. No nominations for any office or directorship may be made from the floor. Notices shall be sent by first-class mail, electronic communication, including email, or any other means permitted by law that has been approved by the Board of Directors for sending such notices.

- (b) The election of Officers and Directors shall take place at the annual meeting.



- (c) The Presidents Council shall consist of the three most recent Past Presidents willing and able to serve, the President, and the President-Elect as voting members and the Immediate Past President shall be the Chairman of the Presidents Council. All other Past Presidents of the Association who are members-in-good-standing shall serve on the Council as ex-officio members.
- (d) The Presidents Council, in addition to duties related to the electing of Officers and Directors as described above, shall be asked to be available to the President for such advice, counsel, and tasks as the President shall deem fit and needed.
- (e) The Presidents Council, yearly at a time to be determined by the CEO and President, shall hold an informational and recruiting event of members of the Association (most especially, those serving as volunteers, chairmen, etc) for the purposes of promoting the advancement of Association leadership and to make possible the recruitment duties of the Presidents Council, as described above.

**Section 5.** Vacancies. Vacancies among the elected Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election. In the event of a vacancy of the Director at-large appointed by the President, the President shall appoint, subject to the approval of the Board of Directors, an Affiliate Member to complete the unexpired Director at-large term.

**Section 6.** Removal of Officers or Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

- (a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed 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 Presidents' 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. Notices shall be sent by first-class mail, electronic communication, including email, or any other means permitted by law that has been approved by the Board of Directors for sending such notices.

## ARTICLE XII – MEETINGS

**Section 1.** Annual Meetings. The annual meeting of the Association shall be held during October of each year - the date, place, and hour to be designated by the Board of Directors.

**Section 2.** Regular and Special Meetings of the Directors. As provided in Article XIV, Section 1, the elective year of the Association is November 1 to October 31. The Board of Directors shall designate a regular day, time and place of meetings. Under special or exigent circumstances, and subject to the Notice requirement of Section 4 of this Article XII, special meetings of the Board of Directors shall be held on such day, time and place as shall be designated by the President, or in the absence or disability of the President, by the President-Elect. Absence of a Director from three regular meetings within an elective year, without advance notification to the CEO or President, shall be construed as resignation.

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

**Section 4.** Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least 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. Notices shall be sent by first-class mail, electronic communication, including email, or any other means permitted by law that has been approved by the Board of Directors for sending such notices.

**Section 5.** Quorum. A quorum for the transaction of business shall consist of fifty (50) of the Members eligible to vote. A quorum for the Board of Directors shall be 50%. A quorum for Standing Committees, Special Committees and Task Forces shall be 50%.

**Section 6.** If necessary to achieve a quorum, with the approval of the President, Directors may participate in meetings by phone and must be present for the entire meeting.

## ARTICLE XIII - COMMITTEES

**Section 1.** Standing Committees. The President shall appoint from among the Association Members, subject to confirmation by the Board of Directors the following standing committees: Professional Standards and Grievance Committees. In addition, enough committees and committee members to carry out the objective and programs of the Association.

**Section 2.** Task Forces. The President shall appoint, subject to confirmation by the Board of Directors, Task Forces as deemed necessary. Task Forces shall have specific assigned tasks, a defined membership, a designated leader and a specified termination or completion date.

**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 XIV – FISCAL AND ELECTIVE YEAR**

**Section 1.** The fiscal year of the Association shall be July 1 to June 30 and the elective year of the Association shall be November 1 to October 31.

#### **ARTICLE XV – 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 the Bylaws.

#### **ARTICLE XVI - AMENDMENTS**

**Section 1.** These Bylaws may be amended by the majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

**Section 2.** Notice of all meetings at which amendments are to be considered shall be sent to every Member eligible to vote at least one (1) week prior to the meeting. Notices shall be sent by first-class mail, electronic communication, including email, or any other means permitted by law that has been approved by the Board of Directors for sending such notices.

**Section 3.** Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, to use the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the National Association of REALTORS®.

#### **ARTICLE XVII - DISSOLUTION**

**Section 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 Maryland Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

## ARTICLE XVIII – MULTIPLE LISTING

*(Note: SMAR does not operate a Multiple Listing Service. We have an ownership interest in Metropolitan Regional Information Systems, Inc. which is operated by MRIS and participation of our Association and members of our association who subscribe to the Multiple Listing Service is governed by the following:)*

### **Multiple Listing Service Operated as a Committee of the Association**

**Section 1.** Authority. The association of REALTORS® may maintain for the use of its members a Multiple Listing Service which shall be subject to the Bylaws of the association of REALTORS® and such rules and regulations as may be hereinafter adopted.

**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). (NAR Amended 11/04)

**Section 3.** 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. (NAR 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. (NAR 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. (NAR Adopted 11/08)

*Amended: March 22, 1999; February 15, 2002; October 8, 2002; October 12, 2004; October 23, 2006; October 9, 2007; October 6, 2009; October 5, 2010; October 4, 2011; October 8, 2013; April 15, 2016*