

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 Maryland 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 Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (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. Franchise REALTOR® Membership Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) 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 Association mandated education, meeting attendance, or indoctrination classes or other similar

requirements; the right to use the term REALTOR® in connection with their franchise organization's name; the right to hold elective office in the local 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" Association.
 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. (Amended 02/19)

In addition to the required forty (40) years of REALTOR® membership:

- i. Applications submitted in the years 2015 through 2019 will require proof of one (1) year of service* at the local, state, or National Association level.
- ii. Applications submitted in 2020 and beyond will require proof of one (1) year of service* at the National Association level.
 1. * “Service” is defined as serving as an officer, director, committee member, federal political coordinator, president’s liaison or regional coordinator to a country with which NAR holds a reciprocal agreement.

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 REALTOR® Association or REALTOR® Association MLS.
 - 6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

“Provisional” membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other Associations or where the applicant for membership has unsatisfied discipline pending in another Association (except for violations of the Code of Ethics; See Article 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. (Amended 11/09)

Section 3. Election.

The procedure for election shall be as follows:

- (a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the Association has adopted provisional membership, applicants for REALTOR® membership may 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 final review of the application by the Board of Directors.
- (b) 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. The Board of Directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he/she shall be declared elected to membership and shall be advised by written notice.
- (c) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings, 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 the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Adopted 1/98, Amended 1/05, Amended 1/17)
- (e) 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.
- (f) 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.

- (g) 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.
- (h) 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 and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants 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 (1) 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. REALTOR® Code of Ethics and Fair Housing Training.

Continuing REALTOR® Code of Ethics Training

Effective January 1, 2019, through December 31, 2021 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS®, or the NATIONAL ASSOCIATION OF REALTORS®, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three year cycle shall not be required to complete additional ethics training until a new three 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 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 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. *(Amended 01/01/2020)*

Continuing Fair Housing Training *(Adopted 1/25)*

Effective January 1, 2025, through December 31, 2027 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete Fair Housing training of not less than two (2) hours 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®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three-year cycle commences.

Failure to satisfy the required periodic Fair Housing training shall be considered a violation of a membership duty. Failure to meet the requirement in any three-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-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 1/25)*

New Member Fair Housing Orientation *(Adopted 1/25)*

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete Fair Housing training of not less than two (2) hours 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®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to 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 (1) year or less.

Failure to satisfy this requirement within 150 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership. (*Adopted 1/25*)

Section 6. Status Changes:

(a) A REALTOR® (or REALTOR-ASSOCIATE®, where applicable) who is transferring his/her license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 30 days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors. (Amended 1/98)

(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 month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year. (Amended 1/05)

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

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 Boards 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 ethics 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®. (Amended 5/16)

- (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®. (Amended 1/00 and 11/11)

Section 6. REALTOR® Members. REALTOR®, whether primary or secondary, in good standing are entitled to vote and 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. (Adopted 11/21)

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

with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his/her 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.

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(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. (Amended 1/02

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 offices and shall designate a primary Board or 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(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. Legal Liability Training. Within two (2) years of the date of election to membership, and every two (2) years thereafter, each REALTOR® member of the Association shall be required to demonstrate that they have completed a course of instruction on antitrust laws, agency laws, civil rights laws or the REALTORS® Code of Ethics, its interpretation and meaning and/or the procedures related to its enforcement.

This requirement will be considered satisfied upon presentation of evidence that the member has completed an educational program conducted by another Member Board, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS® or any of its affiliated Institutes, Societies or Councils, or any other recognized educational institution which, in the opinion of the board of directors, is an adequate substitute for the training programs conducted by the Association. Failure to satisfy this requirement biennially will result in membership being suspended from the date it otherwise would be renewed until such time that the member provides evidence of completion of the aforementioned educational requirements.

NOTE: Any education requirement must comply with Interpretation No. 37 of Article I, Section 2, Bylaws, NATIONAL ASSOCIATION OF REALTORS®.

Section 14. Harassment:

Any member of the Association may be reprimanded, placed on probation, suspended, or expelled for harassment of an Association employee or Association Officer or Director after a hearing in accordance with the established procedures of the Association. The decision of the appropriate disciplinary action to be taken shall be made by the review tribunal comprised of the President of the Board, President-Elect of the Board, one member of the Board of Directors selected by the highest-ranking officer not named in the complaint and, upon consultation with counsel for the Association. If the complaint names the President of the Board or President-Elect of the Board, they may not participate in the proceedings and shall be replaced by the Immediate Past President of the Board or, alternatively, by another member of the Board of Directors selected by the highest-ranking officer not named in the complaint. Disciplinary action may also consist of any sanction authorized in the Association's Code of Ethics and Arbitration Manual. 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.

(Amended 06/2019).

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of the association and of association members relating to the enforcement of the National Association of REALTORS® Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto shall:

1. Be governed by the National Association of REALTORS® Code of Ethics and Arbitration Manual, as from time to time amended, which by this reference is made a part of these Bylaws, as adapted to be consistent with State law; and

2. Be consistent with the Statewide Professional Standards Cooperative Enforcement Agreement, entered into by the association, as from time to time amended, which by this reference is made a part of these Bylaws. (Amended 10/01/2022)

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 mediate and 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. (Adopted 11/21)

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

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

Section 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the National Association of REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual. (Amended 05/06)

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. (Amended 1/96)

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 a Board 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 Maryland 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 Maryland 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 Maryland 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 (3) 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. (Amended 1/02)

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 established by the Board of Directors plus an additional amount, to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR®, and

(2) are not REALTOR® members of any Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a designated REALTOR® member, non-member licensees as defined in (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 Association in the state or a state contiguous thereto, provided the designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a designated REALTOR® member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association. Amended 1/05).

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®. Designated REALTORS® shall notify the Association within three (3) days of any change in the 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 11/09 and 11/14)

- (b) The annual dues of each REALTOR® Member other than the Designated REALTOR® shall be in such amount as established and determined annually by a majority of the Board of Directors. (Amended 1/05)
- (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 (\$105). The National Association shall credit \$35.00 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 \$35.00 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 \$35.00 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. (Amended 11/2013)

- (d) Affiliate Members. The annual dues of each Affiliate Member shall be in such amount as established and determined annually by a majority of the Board of Directors. (Amended 1/05)
- (e) Public Service Members. The annual dues of each Public Service Member shall be in such amount as established and determined annually by a majority of the Board of Directors. (Amended 1/05)
- (f) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors. (Amended 1/05)
- (g) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors. (Amended 1/05)
- (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®, Maryland 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 month in which a Member is notified of election and shall be prorated for the remainder of the year. (Amended 1/05)

(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 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 one (1) month of the due date, the non-paying 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, the 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 rule and regulations of the Association or any of its services, department, 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. Deposits and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the board of directors. (Amended 1/05)

Section 6 Expenditures. The Board of Directors shall administer the Finances of the Association. Notice of dues, fees, fines assessment or other financial obligations to the Association shall be notices to the delinquent Association member in writing setting forth the amount owed and due date.

Section 7. The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the board of directors. (Amended 11/2013)

NOTE: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the Association is assessed for a REALTOR® member, times the number of REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® members of the Association. The dues obligation of such individuals to the local Association should be reduced to reflect the reduction in the Association's dues obligation to the National Association. The Association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Association's obligation to the State Association with respect to such individuals. Member Boards should determine whether the dues payable by the Association to the State Association are reduced with respect to such individuals. It should be noted that this does not affect a "designated" REALTOR®'s dues obligation to the Association with respect to those licensees employed by or affiliated with the "designated" REALTOR® who are not members of the local Association. (Amended 11/2013)

ARTICLE XI – OFFICERS AND DIRECTORS

Section 1. Officers. The elective officers of the Association shall be President, President-Elect, Vice President, and Secretary/Treasurer. They shall be elected for terms of one year. Individuals elected to these offices shall be REALTORS®. No more than two officer positions may be filled by a member of the same brokerage. If an Officer changes brokerages in their term and this changes the composition to be more than two from the same brokerage, those Officers may complete their elected term. (Amended 10/31/2022)

Section 2. **Duties of Officers.** The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the chief staff executive to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and Maryland REALTORS®. (Amended 1/05)

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 have the authority to hire, supervise, evaluate and terminate other 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. (Amended 06/19)

Section 3. **Board of Directors.** The governing body of the Association shall be a board of directors consisting of the elected officers, the immediate past president, and elected REALTOR® members of the Association. No more than three total positions of the Officers and Directors may be filled by a member of the same brokerage. If an Officer or Director changes brokerages in their term and this changes the composition to be more than three from the same brokerage, those Officers and Directors may complete their elected term.

Officer qualifications include three (3) years as a REALTOR® member in good standing and two (2) years as an Association committee member in good standing. Director qualifications include two (2) years as a REALTOR® member in good standing and one (1) year as an Association committee member in good standing.

The governing body of the Association shall be a Board of Directors all of which 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 six (6) additional REALTOR® Directors 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:

- Two (2) REALTOR® Directors whose principal office or primary residence is located in Calvert County.
- Two (2) REALTOR® Directors whose principal office or primary residence is located in Charles County.
- Two (2) REALTOR® Directors whose principal office or primary residence is located in St. Mary's County.
- One (1) Affiliate Director at-large appointed by the President, subject to the approval of the Board of Directors, no later than the first Board of Directors meeting of the new elective year.

Voting Rights for Affiliate Board Member:

The appointed Affiliate Board member shall be afforded a vote on any and all SMAR Board-related actions. Affiliate Board member is not eligible to hold an Officer position.

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 Affiliate 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. (Amended 10/31/2022)

Section 4. Election of Officers and Directors

- (a) Credentials Committee: There shall be a Credentials Committee consisting of the President (whom shall be the Chair) the previous two (2) Immediate Past Presidents and CEO. At least ninety (90) days prior to the regularly scheduled general membership meeting in October, the Credentials Committee 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 Credentials Committee on such form (or online) as from time to time adopted by the Board of Directors. The Credentials Committee in conjunction with the 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.
- (b) Each candidate nominated for an Officer or Director position must meet with the Credentials Committee to provide an overview of their application and desire to run. The report of the Credentials Committee shall be noticed to each REALTOR® Member at least thirty (30) days preceding the election. The Chair of the Credentials Committee or their designee will deliver notification to the Membership by any of the following including, but not limited to newsletter, electronic mail or other appropriate means as approved from time to time by the Board of Directors.

Additional candidates for the ballot may be placed in nomination by a petition signed by at least 15% of the REALTOR® Members eligible to vote and submitted to the Chair of the Credentials Committee at least twenty-one (21) days prior to the Annual Meeting. The Chair of the Credentials Committee or their designee will deliver notification to the Membership of any additional candidates by any of the following including, but not limited to: newsletter, electronic mail or other appropriate means as approved from time to time by the Board of Directors. (Amended 06/19)

- (c) The election of Directors shall be by secure, electronic ballot commencing no less than fourteen days ahead of and ending twenty-four (24) hours before the Annual Meeting. Voting by electronic ballot shall be pursuant to rules and procedures established by the Board of Directors, which, among other things, shall establish where, when, and by what means the electronic ballot shall be cast.

All ballots shall contain the names of all candidates and the offices for which they are nominated. Votes may be cast only for those candidates whose names appear on the ballot. Votes for write-in candidates are not permitted. (Amended 06/19)

- (d) The Credentials Committee shall certify the election results at the conclusion of each election and provide the results to the current President no less than 24 hours prior to the annual meeting for announcement of the results. In case of a tie vote, the issue shall be determined by lot. (Amended 06/19)
- (e) Each candidate nominated for an Officer or Director position must meet with the Credentials Committee to provide an overview of their application and desire to run. (Amended 10/31/2022)

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 by 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 ten (10) days or more than thirty (30) days thereafter, a special meeting of the Board of Directors 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-Board of Directors 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 Board of Directors. Provided a quorum is present, three-fourths vote of Board 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. (Amended 06/18)

Section 7. Indemnification

The Association shall indemnify an Officer or Director, and may, by resolution of the Board of Directors, indemnify an employee, against any and all expenses and liabilities actually and necessarily incurred or imposed in connection with any claim, action, suit, or proceeding (whether actual or threatened, brought by or in the right of the Association or otherwise, civil, criminal, administrative, or investigative, including

appeals) to which the Officer, Director, or employee may be or is made a party, witness, or other participant, by reason of being or having been an Officer, Director, or employee of the Association; provided, however, that there shall be no indemnification in relation to any matter as to which such person shall be adjudged, by a court of competent jurisdiction, to be guilty of a criminal offense, or to be liable to the Association for damages arising out of negligence or misconduct in the performance of a duty to the Association.

Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, counsel fees and other fees, costs, disbursements, judgments, fines and penalties against, and amounts paid in settlement by, such Officer, Director or employee. The Association may advance expenses to, or where appropriate may, at its expense, undertake the defense of any Officer, Director or employee; provided, however, that such Officer, Director or employee shall first undertake to repay or reimburse such expense, if it should ultimately be determined that indemnification under this Section is not available.

This section shall apply to claims, actions, suits or proceedings made or commenced after the adoption of these By-laws, whether arising from acts or omissions to act occurring before or after adoption of these By-laws.

Indemnification available under this Section shall not be deemed exclusive of any other rights to which an Officer, Director or employee may be entitled, under any law, other by-law, agreement, vote of the Board of Directors, or otherwise; and shall not restrict the power of the Association to make any indemnification permitted by law. Indemnification available under this Section shall inure to the benefit of the heirs, executors, administrators, or other legal representatives of an Officer, Director or employee entitled to indemnification under the terms of this Section.

If any part of this Section shall be found to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

Section 8. Insurance

The Association may insure its equipment and assets against loss and damage of any kind, and shall acquire any other insurance the Board of Directors may deem necessary to protect itself against claims of any kind.

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. (Amended 1/05)

Section 2. Meetings of the Directors & Committees. The Board of Directors and Committees shall designate a regular time and place of meetings. Absences from three (3) regularly scheduled meetings in an Officer, Director or Committee Member's term (November 1 – October 31), shall be construed as an automatic resignation. The Officer, Director or Committee Member may petition the Board of Directors or the Committee at the next regularly scheduled meeting for reinstatement, at which a vote of the body will be taken. A quorum for the transaction of business shall be a majority of the board of directors or Committee members, except as may otherwise be required by state law. (Amended 11/10/2020)

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 for Membership Meetings. A quorum for the transaction of business at general and/or special meetings of the membership shall consist of fifty (50) of the Members eligible to vote, except as may be required by state laws. (Amended 05/2013) 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. Electronic Transaction of Business. To the fullest extent permitted by law, the board of directors or membership may conduct business by electronic means. (Adopted 1/05; Revised 06/18).

Section 7. Action without Meeting. Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the chief staff executive to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date. (Adopted 06/18)

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the REALTOR® Association Members, subject to confirmation by the Board of Directors, the following standing committees: Professional Standards and Grievance Committees, and 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, non-voting member of all standing committees and shall be notified of their meetings.

Section 5. Action without Meeting. Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee. (Adopted 06/18)

Section 6. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting. (Adopted 06/18)

ARTICLE XIV – FISCAL AND ELECTIVE YEAR

Section 1. The fiscal year of the Association shall be July 1 to June 30.

Section 2. The elective year of the Association shall be November 1 to October 31. (Adopted 1/05)

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 these 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, or by a majority vote of the required members as stated in ARTICLE XII, Section 5 using electronic means, provided the substance of such proposed amendment or amendments shall be plainly stated, 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. (Amended 06/19)

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. (Amended 06/19)

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 Maryland REALTORS® or, within its discretion, to any other non-profit tax-exempt organization. (Amended 1/05)

ARTICLE XVIII – MULTIPLE LISTING

(Note: SMAR does not operate a Multiple Listing Service. We have an ownership interest in Bright MLS which is operated by Bright MLS and participation of our Association and members of our Association who subscribe to the Multiple Listing Service is governed by the Bright Board of Directors.)

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; October 1, 2015, June 2018, June 2019, February 2020, November 2020; October 1, 2022, October 4, 2022, October 31, 2022, January 1, 2025.