

Bylaws of the National Association of Exclusive Buyer Agents

as revised and approved by the membership on August 6, 2015

ARTICLE I – NAME

The name of this organization is the National Association of Exclusive Buyer Agents (NAEBA), organized under section 501(c)(6) of the US Internal Revenue Code, and incorporated under the laws of the State of Colorado.

ARTICLE II – OBJECT

The object of this association shall be to:

- A. Encourage and preserve high standards of conduct in the transaction of the exclusive buyer agency real estate business;
- B. Preserve the right of consumers to be fully represented when purchasing real estate according to the principles of the common law of agency;
- C. Promote the benefits of transacting business with members of the association;
- D. Provide a forum for the education, training, research, and information sharing for those involved in the practice of exclusive buyer agency.
- E. Create, promote, maintain, and uphold a code of ethics and standards of practice for members of the association; and
- F. Engage in conduct that will promote the growth of the association and the success of its members.

ARTICLE III – MEMBERS

Section 1. Membership The National Association shall have three classes of membership: regular, international, and affiliate.

- A. Regular Members. Regular members are Exclusive Buyer Brokerages as established by a designated broker or broker of record who holds a verifiable real estate broker's license issued in the US or its possessions by a state agency or federal authority. The broker and all associated agents must work exclusively for buyers as fiduciary agents and may never represent sellers and may never list properties for sale. All brokers or agents who hang their licenses with the member brokerage shall receive full rights and benefits of membership, except as restricted in these bylaws. Membership of an Exclusive Buyer Brokerage shall be denied if the broker of record or any licensed agent is in any way affiliated with an economic entity that creates a conflict of interest or the public appearance of a conflict of interest contrary to the benefit of the agency's client(s) or the association's good reputation.
- B. International Members. International members are Exclusive Buyer Brokerages as established by a designated broker or broker of record who holds a verifiable real estate broker's license issued outside the U.S. by a state/provincial agency or federal authority. The broker and all associated agents must work exclusively for buyers as fiduciary agents and may never represent sellers and may never list properties for sale in a multiple listing service or its equivalent. All brokers or agents who hang their licenses with the member brokerage shall receive full rights and benefits of membership except for those excluded in these bylaws. Membership of an International Exclusive Buyer Brokerage shall be denied if the broker of record and any licensed agent is in any way affiliated with an economic entity that creates a conflict of interest or the public appearance of a conflict of interest contrary to the benefit of the agency's client(s) or the association's good reputation.

- C. Affiliate Members. Affiliate members are businesses who promote and/or sell products or services to association members, or whose firm is closely related with the real estate industry, but whose firm and employees are not actively engaged in real estate brokerage activities.

Section 2. Qualifications and Privileges

- A. Regular members shall be Exclusive Buyer Brokerages. The broker of record and affiliated licensed agents shall be eligible to attend membership meetings, hold elected office, serve on committees, and use the official designation of the association on all their business and personal promotions. They shall have available to them the full available resources of the association as determined by the Board of Directors. Voting rights shall be retained by the brokerage. Each EBA firm or corporation shall appoint and certify to the Executive Director or NAEBA staff a person to be its representative in the Association who shall represent, vote and act for the Member in affairs of the Association. Each Regular Member is entitled to one vote per a base rate equal to the dues for a single-person brokerage with a maximum of ten votes on such occasions.
- B. International members shall be Exclusive Buyer Brokerages. The broker of record and affiliated licensed agents shall be eligible to attend membership meetings, serve on committees, use the official designation of the association on all their business and personal promotions, and hold elected office with the exception of Officer. They shall have available to them the full available resources of the association as determined by the Board of Directors. Voting rights shall be retained by the brokerage. Each EBA firm or corporation shall appoint and certify to the Executive Director or NAEBA staff a person to be its representative in the Association who shall represent, vote and act for the Member in affairs of the Association. Each International Member is entitled to one vote per a base rate equal to the dues for a single-person brokerage with a maximum of ten votes on such occasions.
- C. Affiliate members shall not be eligible to vote, hold elected office or serve as Chair of a committee, but may serve on volunteer task forces and committees as outlined in the association's policies and procedures. They shall have the right to attend all membership meetings. Affiliate members may have other rights and privileges as established by the Board of Directors.
- D. Applicants for membership shall submit a sworn written declaration of compliance with the object of the association as described in Article II. Such declaration shall include the applicant's personal practice, their agency, and any other financially affiliated entity. Members shall promptly report any changes in their eligibility or qualification to the association headquarters, and shall disclose their place of work and any public information as required by the association.

Section 3. Dues

- A. Dues shall be paid in accordance with a schedule set by the Board of Directors.
- B. Dues paid to the association shall become the property of the association and shall not be refundable once paid.
- C. Dues shall be billed in accordance to the association's policies and procedures as set by the Board of Directors.

Section 4. Resignation, Suspension, or Termination of Membership

- A. Any member desiring to resign from the association shall submit such resignation in writing to the executive director.
- B. If a member fails to pay dues, fees, or assessments to NAEBA, a chapter of NAEBA, or to any vendor servicing NAEBA or a NAEBA chapter within 30 days from the time they become past due, or ceases to meet the requirements for membership in the association, membership shall automatically terminate unless other agreements have been made.

- C. Any member having resigned from the membership or having their membership terminated for nonpayment of the items addressed in Article III, Section 4B may be reinstated within one year upon notification of the executive director and payment of any applicable dues, fees, or assessments. Reinstatement after lapses in membership over one year, or for termination based on failure to meet membership qualifications or as a result of disciplinary action, shall be treated as a new membership.
- D. Membership may be suspended or terminated subject to determination of the Board of Directors for a violation of the NAEBA Code of Ethics, bylaws, Standards of Practice, other NAEBA policies and procedures, or when a member engages in conduct involving dishonesty, fraud, deceit, or misrepresentation, or knowingly assists or induces another to do so. Written notice shall be sent to the member charged with such violations, and the member shall be given an opportunity to respond and provide information on his or her behalf in accordance with procedures as adopted by the Board of Directors. The Board's decision is final and not subject to appeal. Any brokerage who has had their membership suspended or terminated shall be eligible to reapply for membership after a period of one year, subject to the approval of the Board of Directors.

ARTICLE IV – BOARD OF DIRECTORS

Section 1. Composition

The board of directors shall be composed of the officers of the association and four directors. The board may also elect up to two special directors to serve for a term of up to one year. Such special directors shall not be allowed to vote, and shall have such duties as the board may define.

Section 2. Directors

There shall be four directors divided by responsibilities. These shall be:

- A. Director of Membership
- B. Director of Programs and Education
- C. Director of Government Relations
- D. Director of Publicity and Marketing

Section 3. Director Term of Office

Directors shall serve for a term of two years, beginning each autumn, the exact date of which to be determined each year by the Board of Directors. Terms shall be staggered so that two directors are elected in even-numbered years and two directors are elected in odd-numbered years.

Section 4. Nomination and Election

A. There shall be a governance committee of two currently seated directors or officers not seeking any position in the upcoming election plus the chair. The chair of the governance committee shall be the immediate past president. In the event that the immediate past president wishes to seek a position on the upcoming board of directors or in a year where there isn't an immediate past president, the president shall be chair.

B. The governance committee shall nominate persons as officers and directors of the association. It shall present to the Board of Directors a minimum of one nominee for each open position not less than sixty (60) days prior to the scheduled election. Any member who is in good standing and unless otherwise disqualified by provisions in these bylaws may submit their name for nomination by the governance committee. In making nominations, the governance committee shall give consideration to

a balance of geographic location and experience and other requirements and ideals as set by the board of directors in the policies and procedures manual.

C. In addition to nominations made by the governance committee, candidates for officers and directors may be added to the ballot by petition of not less than ten percent (10%) of the members eligible to vote for said position. Each petition must be filed in accordance to the policies and procedures as set by the board of directors not less than thirty (30) days prior to the scheduled election.

Section 5. Vacancy and Removal

- A. A vacancy in the office of director shall be filled by the board of directors.
- B. A director may only be removed from office for cause and the removal may only be done by majority vote of the body who elected him or her. "Cause" justifying such removal may include, but is not limited to, acts of a criminal nature, failure to fulfill the duties required of a director including lack of attendance at board meetings, and other actions which might bring harm or disrespect to the association. Any vote for removal may also include a specified period of time that said director shall not be eligible to hold elective office. Such period shall not exceed five years. A special director, elected by the board of directors, may be removed with or without cause by a majority vote of the board of directors. Special directors removed solely by a vote of the board of directors shall not be subject to an ineligibility provision.

Section 6. Responsibility

It shall be the responsibility of the board of directors to act on behalf of the membership between membership meetings in the management of the affairs of the association. The board shall provide for the administrative operations of the association by contracting for the services of an executive director.

Section 7. Conflict of Interest

The board of directors shall develop and maintain conflict of interest policies to govern situations in which a member, officer or director is likely to benefit financially from the products or services provided to the association, either directly or indirectly.

Section 8. Board Meetings

The board shall meet at least four times per year, either in person or by electronic means whereby all persons can hear and speak to one another at the same time. Ten days notice shall be required for a regular meeting. Special meetings shall be held on the call of the president or by a majority of the members of the board and with five days notice to all of the members of the board. Notice of board meetings may be waived in writing before, during or after a meeting.

ARTICLE V – OFFICERS

Section 1. Officer Positions. The officers of the association shall be president and treasurer. The Executive Director shall serve as Secretary in an ex-officio capacity. In addition, there shall also be either a president-elect or immediate past president serving in alternating years dependent upon the presidential term.

Section 2. Term of Office.

- A. Officers shall be elected annually each autumn; the exact date or dates to be determined each year by the Board of Directors.
- B. The term for officers shall begin no later than two months following the elections on a date specified by the Board of Directors.
- C. The treasurer shall serve 2 year terms, limited to 2 consecutive terms.

- D. The president shall serve a 2-year term, limited to one term in any five years, except in the case of a vacancy as described in Section 3, item B.
- E. The immediate past president and president-elect shall serve 1-year terms alternately based on the term of the president. The immediate past president shall serve the first year of the president's term and the president-elect shall serve during the second year of the president's term. These positions shall not serve concurrently.
- F. No individual may hold more than one board position at a time.

Section 3. Removal and Vacancy.

- A. An officer may only be removed from office for cause and the removal may only be done by majority vote of the body who elected him or her. "Cause" justifying such removal may include, but is not limited to, acts of a criminal nature, failure to fulfill the duties required of an officer including lack of attendance at board meetings, and other actions which might bring harm or disrespect to the association. Any vote for removal may also include a specified period of time that said officer shall not be eligible to hold elective office. Such period shall not exceed five years.
- B. A vacancy in the office of president during the term of a president-elect shall be filled by the president-elect for the remainder of the term, followed by one full term as president, unless such person had been elected by the board to fill a vacancy in the office of president-elect, in which case the members shall elect both a president and president-elect at the next election. A vacancy in the office of president during the term of an immediate past president shall be filled by the immediate past president until the next regularly scheduled election at which time the members shall elect both a president and president-elect.
- C. A vacancy in the office of president-elect shall be filled by the board of directors for the remainder of the term. At the next election, members shall then elect both a president and a president-elect.
- D. A vacancy in any office other than President or President-Elect shall be filled by the board of directors for the remainder of the term.

Section 4. Duties of Officers.

A. President – The president shall:

1. Be the chief elected officer of the association and shall represent the association before the public as the official representative of the association, subject to board and association policies;
2. Oversee the preparation and distribution of an agenda for each meeting of the board of directors and the membership, subject to the approval of the body at the meeting;
3. Preside over all official meetings of the board of directors and the membership;
4. Appoint the chairpersons of all committees unless otherwise provided in these bylaws, subject to the approval of the board of directors;
5. Report to each meeting of the board of directors and the membership on the progress and state of the association; and
6. Perform other duties incident to the office of president, whether assigned by the board of directors or association governing documents.

B. President-elect – The president-elect shall:

1. Assume the duties of president in case of temporary absence or temporary inability to serve;
2. Succeed to the office of president in the event of a vacancy in that office;
3. Perform other duties incident to the office of president elect, whether assigned by the president, board of directors, or association governing documents;
4. Shall succeed to the office of president the following term.

C. Secretary – The secretary shall:

1. Be responsible for the preparation, distribution, and retention of the minutes of the board of

- directors and the membership meetings;
2. Ensure that approved minutes are posted on the association web site; and
 3. Perform other duties incident to the office of secretary, whether assigned by the president, the board of directors, or association governing documents.

D. Treasurer – The treasurer shall:

1. Serve as the chief elected financial officer of the association, and as such, be responsible to oversee the collection, distribution, and safekeeping of the association's funds;
2. Present a financial report at each meeting of the board of directors and the membership;
3. Serve as the chair of the finance committee; and
4. Perform other duties incident to the office of treasurer, whether assigned by the president, the board of directors, or association governing documents.

E. Immediate Past President – The immediate past president shall:

1. Work with the president to ensure continuity of association governance;
2. Assume the duties of the president in case of temporary absence or temporary inability to serve; and
3. Serve as the chair of the governance committee.

ARTICLE VI – MEETINGS

Section 1. Membership Meetings.

- A. Membership meetings may be held at a time and place as determined by a resolution of the Board of Directors. An Annual Meeting of the membership is not required.
- B. Written notice of membership meetings shall be sent to all members at least forty-five days prior to the meeting.
- C. The quorum for all membership meetings shall be twenty percent (20%) of the eligible voting members. Once established, the quorum shall continue until the adjournment of the meeting.
- D. Each EBA firm or corporation shall appoint and certify to the Executive Director or NAEBA staff a person to be its representative at any membership meetings held. Proxy voting shall not be allowed. Absentee voting shall be allowed for elections. Absentee ballots shall be by mail, facsimile, or electronic as determined by the Board of Directors.

Section 2. Parliamentary Authority

- A. The rules contained in Robert's Rules of Order, Newly Revised, or as it may be amended from time to time, shall govern this association in all cases in which they are applicable and in which they are not inconsistent with these bylaws.

ARTICLE VII – ADMINISTRATION

Section 1. Association Offices

The association shall maintain an office for the conduct of business of the association, at a location determined by the board of directors.

Section 2. Executive Director

- A. The offices of the association shall be under the direct supervision and authority of an executive director, who shall be appointed by the board of directors.
- B. The executive director shall report to the board of directors and perform duties under the direction of the board of directors as the board may require.
- C. The executive director shall serve as the chief executive officer and shall have the authority and responsibility for the operations of the headquarters office, unless otherwise limited by the board of directors or by the budget.

- D. The executive director shall:
1. Employ and terminate employees, consultants and vendors;
 2. Manage and direct the association activities;
 3. Ensure that the treasurer, executive director and any other persons as designated by the board of directors are bonded in such amounts as determined by the board of directors;
 4. Have custody of the seal of the association; and
 5. Have fiduciary responsibility for the assets of the association assigned to headquarters.
- E. Negotiation of the executive director's contract and any subsequent performance evaluations will be done on behalf of the association by a committee of 3-5 members chosen by and from the board of directors. All terms of the contract shall be disclosed to the board of directors. Such contract shall be reviewed by the association's legal counsel after presentation to the board of directors for final approval.

Section 3. Indemnification.

In the event of suits or claims in which one or more current or past officers or directors or employees of the association are named as a result of their status in the association or decisions or actions taken in good faith and reasonably understood to be within the scope of their authority or employment during their term as such, the association shall, directly or through insurance secured for the benefit of such officers and directors and employees; pay reasonable defense expenses incurred in advance or final disposition of such case; and indemnify such officers, directors and employees with respect to any liability assessed or incurred as a result of any such claim, suit or action. Such defense and indemnification shall also extend to individuals serving at the request of the association as an officer, director or employee of another entity, but only after indemnification and insurance coverage from such other entity has been exhausted.

ARTICLE VIII – COMMITTEES

Section 1. Standing Committees

- A. There shall be the following standing committees: ethics and professional standards, governance, and membership.
- B. Ethics and professional standards committee – The ethics and professional standards committee shall be responsible for acting in resolving disciplinary situations in accordance with judicial policies adopted by the board of directors. The ethics and professional standards committee shall be comprised of six members serving staggered terms, each of whom shall have at least three years experience as an exclusive buyer agent. Two members shall be elected each year by the board of directors for a three year term. The committee shall elect its own chair. Members may not serve more than two consecutive terms on this committee, but may be reelected after an absence of at least two years.
- C. Governance committee - The governance committee shall be responsible for recruiting candidates for officer and director positions as well as the oversight of officer and director elections.
- D. Membership committee - The membership committee shall be responsible for approving new member applications and in conjunction with staff, the implementation of member recruitment and retention initiatives.

Section 2. Ad Hoc and Other Committees and Task Forces. The board of directors may create ad hoc or other committees or task forces as deemed necessary. Committee chairs may also form task forces as a subset of their committee for special projects.

Section 3. Committee Composition. Committees shall be comprised of at least three members, no

more than one of which may be an affiliated member.

Section 4. Committee Appointment The president shall appoint all committee chairs subject to board approval except as otherwise provided by these bylaws.

ARTICLE IX – AMENDMENT

Board Initiated Amendments The Board of Directors may amend these bylaws, the standards of practice and the code of ethics in whole or in part at any meeting of the Board of Directors, provided that the Board of Directors and voting members of the association shall receive at least twenty (20) days' notice of any such proposed amendments, both by posting to the members' website and by e-mail. The affirmative vote of two-thirds (2/3) of the total number of directors eligible to vote on such amendments, whether present and voting or not, shall be required.

Membership Rights for Board Initiated Amendments The Board of Directors shall be required to submit any such amendments to the membership for approval or disapproval upon receipt by the Secretary of the Association of a petition signed by twenty percent (20%) of the member brokerages in good standing of the association within thirty (30) days of the date the amendment is both posted to the members' website and e-mailed to the members. In the event of the filing of such a petition, the amendment shall not take effect until approved by a majority of the members voting.

Membership Initiated Amendments The Board of Directors shall also be required to submit any proposed amendments to these bylaws, the standards of practice or the code of ethics to the membership for approval or disapproval upon receipt by the Secretary of the Association of a petition proposing any such amendments signed by twenty percent (20%) of the member brokerages in good standing of the association. A majority of the members voting shall be required for passage of any such proposed amendment.

The membership shall be notified within thirty (30) days of any amendments to these bylaws, the standards of practice or the code of ethics both by posting to the members' website and by e-mail.

Proposed amendments to the bylaws, the standards of practice or the code of ethics may be submitted to a board member or Executive Director for consideration by any member of the Association at any time.

*** Provisions for Transition Years 2015 -2017 (to be automatically removed from bylaws after transition is complete).

Any officer or director whose term does not expire in 2015 shall remain on the board until the expiration of their term resulting in 4 elected officers (President, Secretary, Treasurer, and Immediate Past President) and 6 directors (4 regional directors and 2 newly elected directors whose duties shall be assigned by the board of directors in compliance with these bylaws). In accordance with the new schedule, a Treasurer and 2 Directors will be elected by the membership.

In 2016, no election shall be held for the Secretary position and only 2 directors will be elected resulting in 3 elected officers (President, President-Elect, and Treasurer) and 4 elected directors. Assignment of duties shall be determined by the board of directors in compliance with these bylaws. In accordance with the new schedule, a President-Elect and 2 Directors will be elected by the membership.

In 2017, regular elections will resume. The membership shall elect a Treasurer and the 2 Directors based on those whose terms are expiring.

Glossary

Economic entity: An economic entity is a natural person(s) or other legal entity including but not limited to subsidiaries, divisions, and/or affiliated entities.

Exclusive buyer agent (EBA): An exclusive buyer agent is a person, company or franchise whose broker and associates all work exclusively for buyers as fiduciary agents, and who never represents sellers, lists properties, or works in any capacity that conflicts with the best interests of a buyer client.

Ex-officio: a member who serves by virtue of an office or position held.

Quorum: The number of voting members who must be present in order to conduct business.

Represent: Providing client-level service as defined by the common law of agency.