



**Bylaws of the  
Wichita Area Association of REALTORS®**

**Incorporated April 14, 1927  
Latest Revision – September 23, 2010**

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BY-LAWS  
Wichita Area Association of REALTORS<sup>®</sup>, Inc.  
(Incorporated April 14, 1927)

REVISED

May 18, 1939; September 17, 1940; November 7, 1940; December 20, 1945; February 8, 1947; March 26, 1947; June 3, 1948; November 23, 1948; April 26, 1949; March 15, 1951; May 16, 1955; February 20, 1958; June 4, 1959; September 17, 1959; June 2, 1960; September 20, 1962; January 1, 1965; September 15, 1966; May 15, 1969; February 18, 1974; October 30, 1974, March 6, 1975; October 29, 1975; March 23, 1976; October 29, 1976; October 19, 1977; October 31, 1980; March 31, 1981; November 23, 1981; March 30, 1982; October 28, 1982; October 27, 1983; May 17, 1984; September 19, 1985; September 9, 1986; September 15, 1987; September 1, 1988; September 7, 1989, September 12, 1990; September 19, 1991; March 5, 1992; September 24, 1992; September 16, 1993; September 1, 1994; September 21, 1995; January 18, 1996; April 18, 1996; September 26, 1996; September 25, 1997; May 7, 1998; September 24, 1998; October 15, 1998; September 23, 1999; September 11, 2000; July 19, 2001; September 14, 2001; September 20, 2002; September 19, 2003; September 17, 2004; February 2, 2006; September 21, 2007; February 5, 2009; February 4, 2010; September 23, 2010

**ARTICLE 1 - Name**

**Section 1. Name.** The name of this organization shall be the Wichita Area Association of REALTORS<sup>®</sup>, Incorporated, hereinafter referred to as the "Association."

**Section 2. REALTORS<sup>®</sup>.** Inclusion and retention of the Registered Collective Membership Mark REALTORS<sup>®</sup> in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup> 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<sup>®</sup>.

**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 interest of home and other real property ownership.

**Section 5.** To unite those engaged in the real estate profession in this community with the Kansas Association of REALTORS<sup>®</sup> and the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup>, 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<sup>®</sup> and REALTORS<sup>®</sup> as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup>.

**ARTICLE III - Jurisdiction**

**Section 1.** The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup> is: Sedgwick County.

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

The right and duty to control the use of the terms REALTOR<sup>®</sup> and REALTORS<sup>®</sup> subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup>, 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 six classes of members as follows:

(a) REALTOR<sup>®</sup> Members. REALTOR<sup>®</sup> 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 in the state of Kansas 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<sup>®</sup> Membership only, and each is required to hold REALTOR<sup>®</sup> Membership (except as provided in the following paragraph) in a Board of REALTORS<sup>®</sup> within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR<sup>®</sup> membership, shall be required to hold REALTOR<sup>®</sup> membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. (Amended 1/01) *NOTE: REALTOR<sup>®</sup> Members may obtain membership in a "secondary" Board in another state.*

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

(3) Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all the rights, privileges and obligations of REALTOR<sup>®</sup> membership (including compliance with the Code of Ethics except: obligations related to board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR<sup>®</sup> in connection with their franchise organization's name; and the right to hold elective office in the local board, state association and National Association.

(4) Primary and secondary REALTOR<sup>®</sup> Members. An individual is a primary member if the Board pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another Board. One of the principals in a real estate firm must be a Designated REALTOR<sup>®</sup> member of the Board in order for licensees affiliated with the firm to select the Board as their "primary" Board.

(5) Designated REALTOR<sup>®</sup> Members. Each firm shall designate in writing one REALTOR<sup>®</sup> 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 Board dues as established in Article X of the Bylaws. The "Designated REALTOR<sup>®</sup>" 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<sup>®</sup> Membership established in Article V, Section 2, of the 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<sup>®</sup> 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<sup>®</sup> 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 paragraph (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association. Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR<sup>®</sup> membership in the Association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

(d) Public Service Members. 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 with a specialization or major in real estate at institutions of higher learning, and who have completed at least two years of college and enrolled in 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) Honorary Life Members. Honorary Life Members shall be individuals who have been REALTOR® members of the Wichita Area Association of REALTORS® who are no longer actively engaged in the real estate profession.

**Section 2. REALTOR® Emeriti Status.** Any REALTOR® who currently holds membership in the Association and who achieved 40 continuous years of membership in the NATIONAL ASSOCIATION OF REALTORS® through membership in the Local Association, or Associations, or State Association or as an individual member. Past Presidents of the National Association and recipients of the Distinguished Service Award of the National Association shall be eligible for election to REALTOR® Emeriti status upon certification of such and approval by the NATIONAL ASSOCIATION OF REALTORS®.

## ARTICLE V - Qualification and Election

### Section 1. Application.

(a) 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 he has or has had access to, has carefully reviewed, and if elected a member, will abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, 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, as from time to time amended, and (2) that applicant consents that the Association, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel or defamation of character and (3) that the applicant certifies the information furnished is true and correct. If the applicant fails to provide complete and accurate information as requested, or there is any misstatement of fact, this shall be grounds for review by the Board of Directors and may lead to revocation of the membership, if granted. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

### Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he/she 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 to (unless a secondary member), has no record of recent or pending bankruptcy<sup>1</sup>, has no record of official sanctions involving unprofessional conduct<sup>2</sup>, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and non-discriminatory written examinations thereon as may be required by the Membership Committee, and shall agree that if elected to membership, he/she will abide by the Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, 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 this Association, or a Designated REALTOR® Member of another board (if a secondary member) and must maintain a current,

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<sup>1</sup> No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings, or has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Board establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Board and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy, whichever is later. In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

<sup>2</sup> No record of official sanctions involving professional conduct is intended to mean that the Board may only consider judgments against the applicant rendered by the courts or other lawful authorities within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; or (3) other laws prohibiting unprofessional conduct.

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<sup>®</sup>, and shall pass such reasonable and non-discriminatory written examinations thereon as may be required by the Membership Committee, and shall agree in writing that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

(c) The Board/Association will also consider the following in determining an applicant's qualifications for REALTOR<sup>®</sup> Membership:

1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR<sup>®</sup> association with the past three (3) years
2. Pending ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitrations requests
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS
6. Any misuse of the term REALTOR<sup>®</sup> or REALTORS<sup>®</sup> in the name of the applicant's firm. Amended 6/2006)

*“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<sup>®</sup> and shall be subject to all of the same privileges and obligations of REALTOR<sup>®</sup> membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.*

(d) Nominees for Honorary Life Membership shall supply to the Membership Committee, evidence that they have been a member of the Wichita Area Association of REALTORS<sup>®</sup> for at least 25 years, have attained the age of 70, and have served WAAR as either president, a member of the Board of Directors, or on numerous committees on the local, state or national level. At the discretion of the Board of Directors, Honorary Life Membership may be awarded for outstanding leadership or accomplishment to a nominee who fails to meet these criteria.

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

(a) Applicants for REALTOR<sup>®</sup> 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<sup>®</sup> 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 125 days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues shall be computed from the date of application, and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.

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

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

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

Applicants for REALTOR® membership and provisional REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within 125 days of the date of application 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®.

**Section 5. Continuing Member Code of Ethics Training** Effective January 1, 2001 through December 31, 2004 and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4) year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05)

#### **Section 6. Status Changes**

(a) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Board within 30 days. A REALTOR® (non-principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals, may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members, but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within 60 days of the date they advised the Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 30 days of the date the board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors. (The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Board's Bylaws.)

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

(c) Dues shall be prorated from the first day of the quarter in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

## ARTICLE VI - Privileges and Obligations

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

(a) Violations. It shall be the duty of any member to report in writing to the Association any breaches of the Constitution, Bylaws or the Code of Ethics.

**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 Board Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS<sup>®</sup> 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<sup>®</sup> and conduct their business and professional practices accordingly. Further, Members other than REALTORS<sup>®</sup> may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct which in the opinion of the Board of Directors, applied on a non-discriminatory basis, reflects adversely on the terms REALTOR<sup>®</sup> and REALTORS<sup>®</sup>, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup>.

**Section 3.** Any REALTOR<sup>®</sup> 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<sup>®</sup> 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 Association office, provided, however, that if the Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or of 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 Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he will submit to the pending ethics proceeding and will abide by the decision of the hearing panel. If a member resigns or otherwise causes membership to terminate with an arbitration request pending, the obligation to arbitrate shall remain in effect and the Board may, at its discretion, process the arbitration request in accordance with its established procedures provided the dispute arose while the parties were REALTORS<sup>®</sup>.

**Section 6. REALTOR<sup>®</sup> Members.** REALTOR<sup>®</sup> Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR<sup>®</sup> and REALTORS<sup>®</sup> which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(a) If a REALTOR<sup>®</sup> Member is a sole proprietor in a firm, a partner in a partnership, or an officer in a corporation, and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR<sup>®</sup> or REALTORS<sup>®</sup> in connection with its business during the period of suspension, or until readmission to REALTOR<sup>®</sup> Membership, or unless connection with the firm, partnership, or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR<sup>®</sup> who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension, or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR<sup>®</sup> and REALTORS<sup>®</sup> in connection with its business during the period of suspension or until the former Member is admitted to membership in the Association. The

foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS<sup>®</sup> 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 unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR<sup>®</sup> Member (non-principal) elects to sever his connection with the REALTOR<sup>®</sup> and affiliate with another REALTOR<sup>®</sup> Member in good standing in the Association, whichever may apply. If a REALTOR<sup>®</sup> Member who is other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR<sup>®</sup> and REALTORS<sup>®</sup> by the firm, partnership, or corporation shall not be affected.

(b) In any action taken against a REALTOR<sup>®</sup> Member for suspension or expulsion under Section 6(d) hereof, notice of such action shall be given to all REALTORS<sup>®</sup> employed by or affiliated as independent contractors with such REALTOR<sup>®</sup> Member and 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<sup>®</sup>. 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<sup>®</sup> or the REALTOR<sup>®</sup> logo; to serve as President of the local association; or to be a participant in the local association's Multiple Listing Service.

**Section 8. Affiliate Members.** Affiliate Members shall have rights and privileges and be subject to obligations as prescribed by the Board of Directors.

**Section 9. Public Service Members.** Public Service members shall have rights and privileges and be subject to obligations as 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. Honorary Life Members.** Honorary Life Membership shall confer no rights except the right to attend meetings and participate in discussions, and shall impose no obligations. Honorary Life Members who are actively engaged in the real estate industry and who wish to remain REALTOR<sup>®</sup> members shall have all the privileges and obligations of their membership classification.

**Section 13. Certification by REALTOR<sup>®</sup>.** Designated REALTOR<sup>®</sup> Members of the Association shall certify to the Association during the month of October, on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR<sup>®</sup>'s office(s) and shall designate a primary Board for each individual who holds membership. Designated REALTORS<sup>®</sup> shall also identify any non-member licensees in the REALTOR<sup>®</sup>'s office(s) and if Designated REALTOR<sup>®</sup> Dues have been paid to another Board based on said non-member licensees, the Designated REALTOR<sup>®</sup> shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article 2, Section 2(a) of the Bylaws. Designated REALTOR<sup>®</sup> Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 15 days of the date of affiliation or severance of the individual.

**Section 14. Harassment.** Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association employee or an employee of any wholly owned subsidiary of the Association or any Officers or Director of the Association or any wholly owned subsidiary of the Association after an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, President-Elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with counsel for the Association. Disciplinary action may include

any sanction authorized by the Association's Code of Ethics and Arbitration Manual. If the complaint names the President or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President, or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

#### **ARTICLE VII - Professional Standards and Arbitration**

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

**Section 2.** It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of this Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended. Mediation is also available as a service to members, but is not mandatory.

**Section 3.** The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be 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 Board shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual. (Amended 06/2006)

**Section 2.** REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

**Section 3.** A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation, may use the terms REALTOR® and REALTORS® only if all of the principals of such firm, partnership, or corporation, who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate Members as described in Section 1 (b) of Article IV.

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

**Section 4.** Institute Affiliate Members shall not use the terms REALTOR® or REALTORS® nor the imprints of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

#### **ARTICLE IX - State and National Memberships**

**Section 1.** The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Kansas Association of REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member

Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Kansas Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

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

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

## **ARTICLE X - Dues and Assessments**

**Section 1. Application Fee.** The Board of Directors may adopt an application fee for REALTOR® membership in reasonable amount, not exceeding three (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.

**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 the same as a REALTOR® member plus an additional amount equal to the dues of a REALTOR® Member times the number of 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® Member, and (2) are not REALTOR® Members of any Association in the state or a state contiguous thereto or Institute Affiliate Members of a Board. In calculating the dues payable to the Board by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

(1) For the purpose of this Section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and or which is engaged in other aspects of the real estate business (except as provided for in Section 2(a)(1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association, a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engages 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 on calculating the annual dues of the Designated REALTOR®. 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<sup>®</sup> membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR<sup>®</sup> membership during the preceding calendar year.

(b) The annual dues of REALTOR<sup>®</sup> Members other than the Designated REALTOR<sup>®</sup> shall be an amount determined annually by the Board of Directors.

(c) Institute Affiliate members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup>. Note: The Institutes, Societies, and Councils of the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup> shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees, or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

(d) There shall be no dues payable for Honorary Life Members unless they wish to retain the right to use the term REALTOR<sup>®</sup>, in which case, local dues will be waived, but state and national dues will be collected.

(e) The annual dues for all other classes of membership shall be an amount established annually by the Board of Directors.

**Section 3. Dues Payable.** Dues for all members shall be payable annually in advance on the first day of the month designated by the Board of Directors. Dues shall be computed from the date of application and granting of provisional membership, and shall be prorated for the remainder of the year. If a newly affiliated individual chooses not to become a member, the Designated REALTOR<sup>®</sup> will report the individual as a non-member within 30 days of affiliation.

(a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR<sup>®</sup> membership is dropped for nonpayment of Board dues, and the licensee remains with the Designated REALTOR'S<sup>®</sup> firm, the dues obligation of the Designated REALTOR<sup>®</sup> (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 calendar year and are payable within 30 days of the notice of termination.

**Section 4. Nonpayment of Dues.** If a REALTOR<sup>®</sup> Member's dues remain unpaid at the close of business on the last business day of the month due, the member will be suspended, and a 20% fine will be assessed on the amount of unpaid dues. Upon suspension of a sales licensee or licensed or certified appraiser for non-payment, the Designated REALTOR<sup>®</sup> shall be notified that his dues have been adjusted to reflect the addition of the non-member licensee, and membership of the Designated REALTOR<sup>®</sup> shall automatically terminate unless the amounts due are remitted within 30 days. If a newly affiliated individual does not make application for REALTOR<sup>®</sup> membership and remit dues within 30 days of affiliation, and the Designated REALTOR<sup>®</sup> fails to report the individual as a non-member to the Association within that time, a fine of 20% of the unpaid dues shall be assessed. Thirty days after the delinquent date, membership of the Designated REALTOR<sup>®</sup> may be terminated at the discretion of the Board of Directors. However, no action shall be taken to suspend or expel a member for non-payment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors.

**Section 5. Transfer Fees.** A transfer fee as determined from time to time by the Board of Directors shall be charged each REALTOR<sup>®</sup> who changes affiliation. The transfer fee is due at the time a transfer is requested from the Real Estate Commission.

**Section 6. Reinstatement Fees.** . Reinstatement fees for REALTOR<sup>®</sup> membership shall be in the amount determined from time to time by the Board of Directors.

**Section 7. Non-Payment of Financial Obligations.** If dues, fees, fines, or other assessments including amounts owed to the Association, or the Association's Multiple Listing Service are not paid within one month after due date, the nonpaying member is subject to suspension. Two months after the due date, membership of the non-paying member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other rules and regulations of the Association or any of its services, departments, divisions or subsidiaries may reinstate by making

payment of the reinstatement fee, any outstanding fees, fines or other assessments plus pro-rated dues for the remainder of the term.

**Section 8. Notice of Dues, Fees, Fines, Assessments, or Other Financial Obligations of Members.** All dues, fees, fines, assessments, or other financial obligations of the Association or Association Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

**Section 9. Deposit.** All money received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by the Executive Committee of the Association.

**Section 10. Expenditures.** The Board of Directors shall administer the finances of the Association.

## **ARTICLE XI - Officers and Directors**

**Section 1. Officers.** The officers of the Association shall be: a President, a President-Elect, and a Secretary/Treasurer. They shall serve for a term of one year. The President-Elect will automatically succeed to the office of President on January 1st of the following year.

(a) If a retiring President is in the final year of his or her term as a Director, the retiring President shall be held over without election for one year succeeding the term of office as President to serve as Past President.

(b) If the President-Elect is in his or her final year of a term as Director, the President-Elect shall be held over without election to serve as President and Past President.

(c) In the final year of their term, Directors may run for Secretary/Treasurer of the Board and will be held over without election to fulfill the position to which they are elected.

**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 specific job descriptions as approved and amended from time to time by the Board of Directors.

**Section 3. Executive Committee.** There shall be an Executive Committee composed of the President, immediate Past President, President-Elect, Secretary/Treasurer, and the Chief Executive Officer. The Executive Committee shall conduct the affairs of the Association in accordance with the policies and instructions of the Board of Directors. The Committee shall meet upon call of the President, the Board of Directors, or any two of its members. The President shall act as the chairman of the Committee; two (2) voting members constitute a quorum. The Chief Executive Officer shall be a non-voting member.

**Section 4. Chief Executive Officer.** The Executive Committee, with the approval of the Board of Directors shall employ a Chief Executive Officer who shall be the Chief Paid Staff Officer. The Chief Executive Officer under the direction of the President and the Board of Directors shall have active charge of the administrative affairs of the Association and shall receive such compensation for services as determined from time to time by the Board of Directors. The Chief Executive Officer shall have custody of all records and documents which are considered Association property; render any and all necessary reports to the Board of Directors upon call, and such other duties as provided for in a job description as amended and approved from time to time by the Board of Directors. The Chief Executive Officer shall be bonded.

**Section 5. Board of Directors.** The governing body of the Association shall be a Board of Directors consisting of not more than 17 Directors from the REALTOR<sup>®</sup> membership, at least one of whom shall be a REALTOR<sup>®</sup> who specializes in commercial investment real estate, to be elected to serve a three (3) year term. Directors may not serve more than two (2) consecutive terms. A Director having served two (2) consecutive terms may submit their name for consideration after one year following the completion of their second term. In addition the four members to be elected each year to serve a three (3) year term, the President shall appoint three (3) additional Directors from the REALTOR<sup>®</sup> membership to serve a one (1) year term. The appointive Directors shall be subject to approval by the Elected Directors and the terms of such appointed Directors shall expire at the end of the calendar year in which they are appointed. The immediate Past President shall serve as a voting ex-officio Director. With the exception of the President-Elect and Secretary/Treasurer of WAAR, no Director may simultaneously serve as a Director of both WAAR and SCK MLS. Only two members of a firm may serve as an elected Director of the Board at any one time; however a duly elected Director who changes firms (including mergers and acquisitions) during his or her term shall not become ineligible to continue to serve the remainder of his or her term by virtue of this limitation. The appointed Directors may be selected and the President may serve without regard to company affiliation provided not more than three members of a firm are serving on the Board at any one time, however this

limitation shall not apply if it is exceeded only because one or more Directors changes firms during his or her term to a firm in which three members already serve as Directors. A Phase-In period is required, which will be complete in 2012.

**Section 6. Election of Directors.**

(a) A Nominating Committee shall be appointed by the President composed of one REALTOR<sup>®</sup> who specializes in commercial investment real estate, three carry-over Directors, one Past President who has served within the previous three years, and two REALTOR<sup>®</sup> Members from the Association Membership at large. The Immediate Past President shall serve as Chair. No more than one member of a firm may serve on the Nominating Committee at any one time. The Nominating Committee shall select at least one (1) and no more than two (2) candidates for each open Director position from the eligible membership. The report of the Nominating Committee shall be mailed to each REALTOR<sup>®</sup> Member at least four (4) weeks preceding the election. Additional candidates for the ballot may be placed in nomination by a petition signed by at least 3% of the eligible REALTOR<sup>®</sup> Members as of August 1<sup>st</sup> of the current year and submitted to the Chief Executive Officer no later than two (2) weeks prior to the annual election. At least fourteen (14) days prior to the Annual Meeting, the Nominating Committee or their designee will deliver notification to the Membership the names of such additional nominations 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. In no event shall any more than two nominees per Member Company be placed on the ballot. No person who serves on the Nominating Committee shall be eligible for election.

(b) The election of Directors shall be either by electronic ballot prior to the Annual Meeting, or by ballot cast in person at 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. Ballots cast in person at the Annual Meeting may be cast electronically, by written ballot, or both as determined by the Board of Directors.

All ballots, whether electronic or written, 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. Ballots containing votes for write-in candidates and ballots containing fewer or more votes than the number to be elected shall be invalid. In years in which the ballot contains two nominees who are specialists in commercial investment real estate, their names shall be segregated on the ballot, with all members to vote for one. Remaining votes shall be cast for the REALTORS<sup>®</sup> at large on the other section of the ballot, as indicated.

(c) The President, with the approval of the Board of Directors, shall appoint an election committee of three (3) REALTOR<sup>®</sup> Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.

**Section 7. Election of Officers.** The newly elected directors together with the Directors who hold over shall comprise the Board of Directors for the ensuing year. This Board of Directors shall meet after the Annual Meeting, the date, place and hour to be designated by the Board of Directors, for the purpose of electing Officers for the ensuing year.

**Section 8. Installation.** The installation of the newly elected officers shall be held as soon as possible after this election, at such time and place as the Directors may decide.

**Section 9. Vacancies.** Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election.

**Section 10. Removal of Officers or Directors.** In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure.

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director and to render a decision on such petition.

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

## ARTICLE XII – Meetings

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

**Section 2. Meetings of the Directors.** The Board of Directors shall designate a regular time and place of meetings, eight (8) or more of whom shall constitute a quorum to conduct business. Absence from two consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation. The President may call a special meeting of the Directors at any time, either verbally, by telephone, or by written notice.

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

**Section 4. Notice of Meetings.** Notice shall be given to every member entitled to participate in the meeting at least one (1) week preceding all meetings 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. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

**Section 5. General Membership Meetings.** Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least 10% of the Members eligible to vote.

**Section 6. Quorum.** A quorum for the transaction of business shall consist of 50 Members eligible to vote.

## ARTICLE XIII - Committees

**Section 1. Standing Committees.** The President shall appoint from among the REALTOR<sup>®</sup> Members, subject to confirmation by the Board of Directors, standing committees as set out in the Policies and Procedures Manual of the Association as from time to time amended.

**Section 2. Special Committees.** The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

**Section 3. Organization.** All committees shall be of such size and shall have such duties, functions, and powers as may be assigned by the President or the Board of Directors, except as otherwise provided in these Bylaws.

**Section 4. President.** The President shall be an ex-officio member of all standing committees and shall be notified of their meetings.

## ARTICLE XIV - Fiscal and Elective year

**Section 1.** The fiscal and elective year of the Association shall be January 1st to December 31st.

## 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 REALTOR<sup>®</sup> Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting and shall be in legislative format, striking deletions and underlining additions, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy

**Section 2.** Notice of all meetings at which amendments are to be considered shall be delivered 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 to every Member Eligible to vote at least one (1) week prior to the meetings.

**Section 3.** Amendments to these Bylaws affecting the admission or qualification of REALTOR<sup>®</sup> and Institute Affiliate Members, the use of the terms REALTOR<sup>®</sup> and REALTORS<sup>®</sup>, or any alternation 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<sup>®</sup>.

#### ARTICLE XVII - Dissolution

**Section 1. Authority.** Upon the dissolution or winding up of the affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Kansas Association of REALTORS<sup>®</sup> or, within its discretion, to any other non-profit tax exempt organization.

#### ARTICLE XVIII - Multiple Listing Service

**Section 1. Authority.** The Association of REALTORS<sup>®</sup> shall maintain for the use of its members a Multiple Listing Service which shall be a lawful corporation of the State of Kansas, all the stock of which shall be owned by this Association of REALTORS<sup>®</sup>.

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

**Section 3. Governing Documents.** The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its corporate charter, constitution, bylaws, rules, regulations, policies, practices, and procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the National Association of REALTORS<sup>®</sup>.

#### **Section 4. Participation.**

Any REALTOR<sup>®</sup> of the Wichita Area Association of REALTORS<sup>®</sup> or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in SCK MLS upon agreeing in writing to conform to the rules and regulations and compliance guidelines thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to SCK MLS "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property pursuant to a real estate transaction. Use of information developed by or published by SCK MLS is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a SCK MLS where access to such information is prohibited by law.

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

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a “Virtual Office Website” (VOW) (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all Participants and potential Participants.

**Section 5. Subscribers and Users.** Subscribers and Users of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants, Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure of certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant’s licensed designee.

#### **ARTICLE IX - Indemnification**

**Section 1.** The Association shall indemnify any and all persons who may serve or have served at any time as Directors, Officers, or staff, and their respective heirs, administrators, successors and assigns, against any and all expenses including amount paid upon judgments, counsel fees and amounts paid in settlement (before and after suit has commenced), actually and necessary incurred by such persons in connection with the defense or settlement of any claim, action, suit or proceeding in any of which they, or any of them, are made parties, or a party, or which may be asserted against them or any of them by reason of being or having been an Officer, Director or staff of the Association, except in relation to matters to which any such Officer, Director, or staff member; former Officers, former Directors, or former staff members shall be adjudged in any action, suit or proceeding to be liable for their own negligence or misconduct in the performance of their duties. Such indemnification may be entitled or under any law, Bylaw agreement or any other right to which those indemnified may be entitled under any law, bylaw or agreement or otherwise.

**Section 2.** The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the association, or is and was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or rising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Bylaw or under the provisions of any law of the State of Kansas.

#### **ARTICLE XX - Conflict of Interest**

**Section 1.** Contracts, Sales and Purchases:

(a) Directors, Officers, Committee Members or Employees of the Association shall not be financially interested in any contract made by them in their official capacity on behalf of the Association, nor shall they be purchasers at any sale or vendors at any purchase made by them in their official capacity on behalf of the Association, unless the full nature and extent of such financial interest and/or status as prospective purchaser or vendor has first been disclosed in writing to the Association.

(b) The Association shall authorize, approve or ratify a contract in good faith by a vote of its members or Directors sufficient for that purpose without counting the vote or votes of the Director, Officer, Committee Member or Employee who has disclosed said interest and who shall be ineligible to vote thereon.

(c) The processing of one's own MLS listings with the Association's MLS subsidiary and/or the acquisition of standard forms, educational materials and other materials of similar nature from the Association shall be exempt from the provisions of this paragraph. In addition, the Board of Directors of the Association shall have the power to determine other transactions or classes of transactions to be exempt from the provisions of this paragraph, by means of amendment to this Code.

**Section 2. Confidential Information.** (a) Directors, Officers, Committee Members or Employees of the Association shall not disclose to any other person, confidential information acquired by them in the course of their official duties, or use any such information for the purpose of pecuniary gain in any manner which is contrary to the best interests of the Association.

(b) This section shall not apply to any disclosure made to any law enforcement agency, nor to any disclosure made pursuant to subpoena or other similar legal process.