

**KENT WASHINGTON  
ASSOCIATION OF  
REALTORS®**



**BYLAWS  
2010**

(Revised 10/07/2010)

## **ARTICLE I - Name**

### **Section 1. Name.**

The name of this organization shall be the Kent Washington Association of REALTORS<sup>®</sup>, Inc., hereafter 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 RHODE ISLAND 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> and 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® shall include the whole of Kent and Washington Counties.

### Section 2.

Territorial jurisdiction is defined to mean:

(a) The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property right of the National Association in the terms.

## ARTICLE IV - Membership

### Section 1.

There shall be eight classes of membership as follows:

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

(1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Rhode Island or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Association of REALTORS® 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 Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV.

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

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

(4) Primary and secondary REALTOR® Members. An individual is a *primary* member if the Association pays state and National dues based on such Member. An individual is a *secondary* Member if state and National dues are remitted through another Association. One of the principals in a real estate firm must be a Designated REALTOR® Member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) EXCEPT: obligations related to Association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; the right to hold elective office in the local Association, State Association and National Association.

(5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

**Note 1:** REALTOR® Members may obtain membership in a "secondary" Association in another state.

**Note 2:** Applicants for REALTOR® membership shall be granted "provisional" membership immediately upon submission of a completed application form and remittance of applicable Board/association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Association Staff/Board of Directors.

**(b) Institute Affiliate Members.** Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

**(c) Affiliate Members.** Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

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

**(e) Honorary Members.** Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.

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

**(g) Life Members.** Life Members shall be those REALTOR® Members who have been a REALTOR® for thirty (30) years and have served as an officer or director of either the Kent County or Washington County Associations or of the Kent Washington Association of REALTORS®.

**(h) REALTOR Emeritus.** REALTOR Emeritus shall be as defined and recognized by the National Association of REALTORS®.

## **ARTICLE V - Qualification and Election**

### **Section 1. Application.**

An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant: **(1)** that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and **(2)** that applicant consents that the Association may consider written information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

### **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 Board through its Membership Committee or otherwise that he is actively engaged in the real estate profession, and maintains a current, valid Rhode Island real estate broker's or salesperson's license or is licensed and certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy\*, has no record of official sanctions involving unprofessional conduct\*\*, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall agree in writing that if elected to membership, will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

**\*\*Note 1:** No record of official sanctions involving unprofessional conduct is intended to mean that the Board may only consider:

a. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

b. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for the conviction, whichever is the later date.

**\*Note 2:** “No recent or pending bankruptcy” is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, or corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) 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.

**Note 3:** Article IV, of Section 2, of the NAR Bylaws prohibits Member Associations from knowingly granting REALTOR® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics.

**(b)** Individuals who are 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 **1)** associated either as an employee or as an independent contractor with a “Designated REALTOR®” Member of the Association or “Designated REALTOR®” Member of another Association ( if a secondary member), **2)** must maintain a current valid Rhode Island real estate broker's or salesperson's license or be licensed or certified by an appropriate Rhode Island regulatory agency to engage in the appraisal of real property, **3)** has no record of official sanctions involving unprofessional conduct\*. **4)** shall complete a course of instruction (Orientation) 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 **5)** shall agree in writing that, if elected to membership, will abide by such Constitution, Bylaws, Rules and Regulations and the Code of Ethics.

**\*\*Note 1:** No record of official sanctions involving unprofessional conduct is intended to mean that the Board may only consider:

a. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

b. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for the conviction, whichever is the later date.

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

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

**Note 1:** Provisional membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other boards/associations or where the provisional member has unsatisfied discipline pending in another board/association, except for violation of the Code of Ethics (provided all other qualifications for membership have been satisfied). The Association may reconsider the provisional 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 (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership.

**Note 2:** If a provisional member resigns from another board/association with an ethics complaint or arbitration request pending, the Association may condition full, non-provisional membership on the provisional member's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the Board/association to which the provisional member has made application) and will abide by the decision of the hearing panel.

### **Section 3. Election.**

The procedure for election to membership shall be as follows:

(a) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable Board/Association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Association Staff and/or the Board of Directors. The Association Staff shall determine whether the individual is applying for the appropriate class of membership. The Association Staff shall have the authority to approve the individual for provisional membership or, in instances where the Association Staff has questions regarding the individual's qualifications for membership, they may abdicate responsibility for approval of the membership to the Board of Directors. In such cases, the Board of Directors shall review the application for membership at its next regularly scheduled meeting. 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 180 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 pro-rated 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 individual with advance notice in writing, an opportunity to appear before the Board of Directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

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

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

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

Failure to satisfy this requirement within 180 days of the date of that provisional membership was granted ~~will~~ may 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 will 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 meet the requirement for the second (2005 - 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 the member who is still suspended as of that date will be automatically terminated.

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

A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm in 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 ten (10) days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® 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 ten (10) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

**Note 1:** The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.

**Note 2:** 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.

**Note 3:** Dues shall be prorated from the first day of the month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

## **ARTICLE VI - Privileges and Obligations**

### **Section 1.**

The privileges and obligations of members, in addition to those otherwise provided by these Bylaws, shall be specified in the Article.

### **Section 2.**

Any Member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations 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® are not subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Board of Directors, or upon recommendation of the Professional Standards Committee, be subject to discipline as described above, for any conduct which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct inconsistent with or adverse to the objectives and purposes of the local Association, the State Association and the NATIONAL ASSOCIATION OF REALTORS®.

### **Section 3.**

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

#### **Section 4.**

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

#### **Section 5.**

If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

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

#### **Section 6. REALTOR® Members.**

(a) REALTOR® Members in good standing, whether primary or secondary, whose financial obligations to the Association are paid in full shall be entitled to vote and hold elective office in the Association.

(b) REALTOR® Members may use the terms REALTOR® or REALTORS®, which use shall be subject to the provisions of Article VIII.

(c) REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and real estate profession.

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

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

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

### **Section 7. Institute Affiliate Members.**

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

**NOTE:** Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR® or the REALTOR® 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 such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors.

### **Section 9. Public Service Members.**

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

### **Section 10. Honorary Members.**

Honorary Members shall confer only the right to attend meetings and participate in discussions, and shall impose no obligations.

### **Section 11. Student Members.**

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

### **Section 12. Life Members.**

Life Members shall be entitled to all REALTOR® privileges.

### **Section 13. Certification.**

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

(b) Upon affiliation or severance of a salesperson or any additional licensed or certified individual, the principal, partner, corporate officer or "Designated" REALTOR® must notify the Association of the change in writing, immediately, and not more than 10 days from the date of the affiliation or severance. Upon notification of affiliation, a letter inviting the licensee or certified individual to become a Association Member and describing the services and advantages of Association Membership shall be sent to the new licensee or certified individual, as well as a copy to the "Designated REALTOR®" with a bill for the dues obligation.

(c) Thirty (30) days from the date of the Association’s letter inviting the licensee or certified individual to become a member, if no application and/or dues have been received, a second bill shall be sent to the “Designated” REALTOR® with a warning of termination of the firm if the dues are not received within sixty (60) days of the date of the Association’s letter of invitation.

(d) Sixty (60) days from the date of the Association’s letter inviting the licensee or certified individual to become a member, if the salesperson or licensed or certified individual has not applied for membership to the Association and paid the dues, or, the principal, partner or corporate officer or “Designated” REALTOR® has not paid the full dues assessment of the new affiliate, the firm shall be terminated. The firm shall not be reinstated until all dues and fines have been paid in full.

#### **Section 14. Harassment.**

Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-elect and/or Vice President and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the Association’s Code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

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

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

### **Section 1.**

The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as 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 the 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.

## **ARTICLE VIII - Use of the Term REALTOR®/REALTORS®**

### **Section 1.**

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

### **Section 2.**

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

### **Section 3.**

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

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

### **Section 4.**

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

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

### **Section 1.**

(a) The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the RHODE ISLAND ASSOCIATION OF REALTORS®.

(b) By reason of the Association's membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the RHODE ISLAND ASSOCIATION OF REALTORS®, without further payment of dues. Affiliate Members shall also be members of the RHODE ISLAND ASSOCIATION OF REALTORS®.

(c) The Association shall continue as a member of the State and National Associations unless by a majority vote of all its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

### **Section 2.**

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

### **Section 3.**

The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the NATIONAL ASSOCIATION and THE RHODE ISLAND ASSOCIATION OF REALTORS®.

## **ARTICLE X - Dues, Fees, and Finances**

### **Section 1. Application Fee:**

The Board of Directors may adopt an application fee for REALTOR® Membership in a 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 determined by the Board of Directors plus an amount equal to the amount determined by the Board of Directors times the number of real estate salespersons and additional licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR Member, and (2) are not REALTOR® Members of any Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association.

In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in section 2(a)(1) and (2) of this article shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR holds membership, and any other offices of the firm located within the jurisdiction of this board. \* (Amended 01/01).

(1) For the purpose of this Section, a REALTOR® Member of a Member Association 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 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, corporate officer, or branch office manager 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 of a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

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® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

**(b)** The annual dues of REALTOR® Members other than the “Designated” REALTOR® shall be at the discretion of the Association of REALTORS®.

**(c)** Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other Association. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

**(d)** Affiliate Member. The annual dues for each Affiliate Member shall be in such amount as established annually by the Board of Directors.

**(e)** Public Service Members. The annual dues for each Public Service Member shall be in such amount as established annually by the Board of Directors.

**(f)** Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

**(g)** Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

**(h)** Life Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

(i) REALTOR® Emeriti, past Presidents of the National Association and recipients of the National Association’s Distinguished Service Award: Dues payable, if any, shall be at the discretion of the Board of Directors.

**Section 3. Dues Payable.**

(a) Dues for all classifications of membership shall be payable annually in advance. For new members, dues shall be calculated from the date of application and granting of provisional membership and shall be prorated for the remainder of the fiscal year. The collection procedure shall be outlined in the Policy and Procedures Manual.

(b) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® Membership is dropped for nonpayment of Association dues, and the licensee remains with the Designated REALTOR®’s firm, the dues obligation of the “Designated REALTOR®” [as set forth in Article X, Section 2 (a)] will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable no later than January 25<sup>th</sup>.

**Section 4. Nonpayment of Financial Obligations.**

(a) 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(1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had his membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

(b) Dues obligation of a new licensee: If the dues obligation of a newly affiliated licensee has not been paid within ninety (90) days of the date of the Association’s letter inviting the licensee to become a member and the firm’s notification of dues obligation for that licensee, the nonpaying firm shall be automatically terminated.

**Section 5. Notice of Dues, Fees, Fines, Assessments and Other Financial Obligations of Members.**

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

**Section 6. Deposits and Expenditures.**

Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors. The Board of Directors shall administer the day to day finances of the Association. The Board of Directors shall not incur an obligation in excess of \$1 over the available cash on hand unless authorized by 5% of the Association members eligible to vote.

**ARTICLE XI - Officers and Directors**

**Section 1. Officers.**

The elective officers of the Association shall be a President, a President-Elect, a Vice President and a Treasurer. The President-Elect shall succeed to the office of President. They shall be elected for terms of one (1) year each. In order to become an Officer of the Association, one must have actively served as a Director.

## **Section 2. Duties of Officers.**

The duties of the officers shall be as outlined by the Association's Policy and Procedures Manual and such as may be assigned to them by the Board of Directors. In the absence or disability of the President, the President-Elect shall perform the duties of the President with all the authority and privileges of the office. It shall be the particular duty of the Chief Staff Executive or designee to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the RHODE ISLAND ASSOCIATION OF REALTORS®.

## **Section 3. Board of Directors.**

(a) The governing body of the Association shall be a Board of Directors consisting of the four (4) elected officers and twelve (12) elected Directors, two (2) of whom shall be elected to serve on the Executive Committee. Directors of the Association shall be elected to serve terms of three (3) years. Each year, as many Directors shall be elected as required to fill vacancies. In addition, the Board of Directors may also be comprised of Kent Washington Association of REALTORS®'s appointed State Association and Statewide MLS Directors, who may be Past Presidents. Other Past Presidents are invited to attend Directors' meetings but are not eligible to vote.

(b) A Director shall not serve more than two (2) successive terms and must wait one full year before being renominated for additional terms on the Board of Directors. This does not pre-empt participation as a Committee Chairperson or as a Association Officer.

(c) No more than two members of a firm, excluding Past Presidents, and State Directors, may serve on the Board of Directors; in addition, no more than one member of the same firm may serve as an officer. A firm shall be considered one or more offices owned by the same party/parties. . (Seated Directors may continue until their term is ended.)

(d) The Board of Directors is responsible for establishing a procedure and formulating and adopting all policies of the organization. These policies shall be maintained in a policy manual, to be reviewed annually and revised as necessary.

(e) A Director shall act in the best interest of the Association and shall disclose any personal or professional interest, financial or otherwise, when an item concerning such interest is under discussion. A majority vote of the Board of Directors, excluding that affected Director, shall decide if that Director shall be allowed to vote on the discussion item.

(f) The Board of Directors shall employ a Chief Staff Executive and shall fix the salary and other considerations of employment. The Chief Staff Executive shall be the chief administrative officer. The Chief Staff Executive shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors.

## **Section 4. Executive Committee.**

The Executive Committee shall be composed of the President, President-Elect, Vice President, Treasurer, Immediate Past President, and two (2) members from the Board of Directors as selected by the Nominating Committee and approved by the Board of Directors. Each Director elected to serve on the Executive Committee shall serve a one (1) year term, said term running concurrently with the elected three year term as a Director; in addition, no more than one member of the same firm may serve as an Executive Committee Member. A firm shall be considered one or more offices owned by the same party/parties.

## **Section 5. Election of Officers and Directors of the Association.**

(a) The Nominating Committee shall nominate one candidate for each office, and one candidate for each place to be filled on the Board of Directors.

Note: The Nominating Committee shall be comprised of the immediate Past President, who serves as Chairperson, current Association President, President-Elect and four Past Presidents of the Association willing to serve.

(b) It shall select two (2) members from the current Board of Directors to serve on the Executive Committee and also select State Directors for staggered terms of two years each. The report of the Nominating Committee shall be mailed by first-class mail, electronic communication, including e-mail, or any other means permitted by law that has been approved by the Board of Directors to each REALTOR® Member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by a petition signed by at least 10% of the REALTOR® Members eligible to vote. The petition shall be filed with the Executive Vice President at least two (2) weeks before the election. The Executive Vice President shall send notice of any additional candidates to all REALTOR® Members eligible to vote one (1) week before the election.

(c) The election of Officers and Directors of the Association shall take place at a meeting to be held in September or October prior to their installation. The election shall be by a majority vote of those present for each individual office. In the event of additional candidates, the election shall be by closed ballot, listing the names of all candidates and the offices for which they are running. The President-Elect shall succeed to the office of the President. In the event the President-Elect is unable to assume office, the Nominating Committee shall be charged with the responsibility of selecting a nominee for the office of President. In this case, the President will be elected at the September meeting.

(d) In the event of additional candidates(s), the President shall appoint an Election Committee of three (3) REALTOR® Members to conduct the election. In the case of a tie vote, an additional ballot will be cast. In the case of a second tie vote, the election shall be determined by lot.

(e) All Officers and new Directors of the Kent Washington Association of REALTORS® will be sworn into their offices at a meeting to be held in October. They shall serve from the following November 1st to October 31<sup>st</sup> of their elected term.

#### **Section 6. Vacancies.**

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

#### **Section 7. Removal of Officers and Directors of the Association.**

Upon two-thirds vote of the directors present, provided there is a quorum, an Officer or Director may at the discretion of the Board of Directors be removed from office during his/her term of appointment or election to office.

#### **Section 8. Indemnification.**

(a) The Association shall, except to the extent prohibited by law, indemnify any Director, Officer or Executive Vice President who was, or is, a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a Director or an Officer, employee or agent to the Association, or is or was serving at the request of the Association as an Officer, employee or agent of another corporation, partnership joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, such person had no proceeding, such person had

no reasonable cause to believe, his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not itself, create a presumption that the person did not act in good faith, and in a manner in which such person reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

**(b)** Procedures for indemnification shall be adopted by the Board of Directors and specified in the Association Policy and Procedures Manual.

## **ARTICLE XII - Meetings**

### **Section 1. Annual Meeting.**

The annual meeting of the Association shall be held in September or October of each year.

### **Section 2. Meetings of Directors.**

The Board of Directors shall designate a regular time and place of meeting. Absence from two (2) regular meetings during a twelve (12) month period may be construed as having resigned therefrom at the discretion of the Board of Directors.

### **Section 3. Executive Committee Meetings.**

The Executive Committee shall meet as required to transact the business of an emergency or routine nature between meetings of the Board of Directors and shall report such actions in full to the Board of Directors at its next meeting.

### **Section 4. Other Meetings.**

Meetings of Members may be held at such other times as the President or Board of Directors may determine, or upon the written request of a least 10% of the REALTORS® Members eligible to vote.

### **Section 5. Notice of Meetings.**

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

### **Section 6. Quorum.**

A quorum for the transaction of business at regular or special meetings shall consist of those members present and eligible to vote provided that written notice of the substance of the regular or special meeting shall first have been sent to each member at least one week in advance of the meeting. A quorum for the transaction of business at a Board of Directors' meeting or an Executive Committee meeting shall be a majority of the members of the Board of Directors or the Executive Committee.

## **ARTICLE XIII - Committees**

### **Section 1. Standing Committees.**

The President shall appoint committee members from among the REALTOR® and Affiliate Members to the following standing committees, subject to confirmation annually by the Board of Directors:

|                                      |   |
|--------------------------------------|---|
| Awards                               | Personnel                               |
| Bylaws                               | Professional Standards                  |
| Equal Opportunity                    | Program                                 |
| Education                            | Public Relations/Marketing              |
| Finance                              | REALTOR® of the Year/Recognition Awards |
| Govt Aff./Legis./Lic.law./IMPAC/RPAC | Rental & Property Management            |
| Grievance                            | Strategic Planning                      |
| Nominating                           | Technology                              |

### **Section 2. Special Committees.**

The President shall appoint, subject to confirmation by the Board of Directors, such special committees as he/she may deem necessary.

### **Section 3. Organization.**

All committees shall be of such size and shall have such duties, functions, and powers as may be assigned to them by the President and/or 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 with the exception of Grievance, Professional Standards, REALTOR® of the Year, and Nominating, and shall be notified of their meetings.

## **ARTICLE XIV - Fiscal Year**

### **Section 1.**

The fiscal year of the Association shall be the calendar year.

## **ARTICLE XV - Rules of Order**

### **Section 1.**

Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Association, its Board of Directors and committees, in all instances wherein its provisions do not conflict with these Bylaws.

## **ARTICLE XVI - Amendments**

### **Section 1.**

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

**Section 2.**

Notice of all meetings at which amendments are to be considered shall be mailed to every member eligible to vote at least (1) one week prior to the meeting.

**Section 3.**

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

**ARTICLE XVII - Dissolution**

**Section 1.**

Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the RHODE ISLAND ASSOCIATION OF REALTORS®, INC., or, within its discretion, to any other non-profit tax exempt organization.

**ARTICLE XVIII - Multiple Listing Service**

**Section 1. Authority.**

The Association of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the State of Rhode Island, all the stock of which shall be owned by the RHODE ISLAND ASSOCIATION OF REALTORS®, INC.

**Section 2. Purpose.**

A Multiple Listing Service is a means by which the authorized Participants make blanket unilateral offers of compensation to the 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 aprocuring 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®.

**Section 4. Participation.**

Any REALTOR® Member of this or any other Association who is a principal, partner, corporate officer, or branch manager office acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in the Multiple Listing Service upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto.\* However,

under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service “Membership” or “Participation” unless they hold a current valid real estate brokers license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.\*\* Use of information developed by or published by a Association Multiple Listing Service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “Participation” or “Membership” or any right of access to information developed by or published by a Association Multiple Listing Service where access to such information is prohibited by law.

\*Any applicant for MLS Participation and any licensee (including licensed or certified appraisers) affiliated with an MLS Participant who has access to and use of MLS generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to MLS Rules and Regulations and computer training related to MLS information entry and retrieval as prior to access..

\*\*Generally, Associations of REALTORS®, when there is more than one principal in a real estate firm, define the chief principal officer of the firm as the MLS “Participant”. If each Principal is defined as a “Participant,” then each shall have a separate vote on MLS matters. Brokers or salespersons other than Principals are not considered “Participants” in the Service, but have access to and use of the Service through the principal(s) with whom they are affiliated.

**Note:** Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant’s licensed designee.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and ongoing basis during the operation of the participant's real estate business. The “actively” requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a “Virtual Office Website” (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

### **Section 5. Board of Directors.**

The control and administration of the affairs of the Service shall be vested in a Board of Directors. The Board of Directors of the State-Wide Multiple Listing Service, Inc., shall be composed of two members from each participating

Member Association of the Association appointed by the RIAR President and confirmed by the Association's Board of Directors. For the purpose of this paragraph, a participating Member Association is defined as a Association which has signed a Participation Agreement. Directors shall serve a term of two years except as otherwise herein stated. No member of the Board of Directors may be appointed for more than two successive terms of appointment except in the event the RIAR President requests a Director who has served two (2) successive terms to remain to serve as President for a fifth year.

### **Section 6.**

Association Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office, or firm except as otherwise specified in the MLS Rules and Regulations. Association Members who receive such information, either as an Association service or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

### **Section 7. Vacancies.**

Vacancies on the Board of Directors created by other than expiration of a term shall be filled by the President of RIAR for the term and confirmed by the Directors of RIAR. The term of office for each member of the Board of Directors shall commence on the date of appointment and shall terminate on the date his/her successor may be appointed. The President of the Rhode Island Association of REALTORS® may cause each seat in the State-Wide Multiple Listing Service, Inc.'s Board of Directors to be vacated at any time at his/her sole discretion, in which event new appointments shall be made in the manner prescribed herein. The President-Elect of the Association and the immediate Past President of the State-Wide Multiple Listing Service (if his/her term has expired) shall serve as an ex-officio member of the Board of Directors.