

BYLAWS



REALTORS[®] Association of Maui, Inc.

Adopted July 21, 2006

Bylaws of the REALTORS[®] Association of Maui, Inc.

TABLE OF CONTENTS	PAGE NUMBER
ARTICLE I - NAME	1
ARTICLE II - OBJECTIVES	1
ARTICLE III - JURISDICTION	1
ARTICLE IV - MEMBERSHIP	1
ARTICLE V - QUALIFICATION AND ELECTION	2
ARTICLE VI - PRIVILEGES AND OBLIGATIONS	6
ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION	8
ARTICLE VIII - USE OF THE TERMS REALTOR [®] AND REALTORS [®]	8
ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS	9
ARTICLE X - DUES AND ASSESSMENTS	9
ARTICLE XI - OFFICERS AND DIRECTORS	11
ARTICLE XII - MEETINGS	13
ARTICLE XIII - COMMITTEES	14
ARTICLE XIV - FISCAL AND ELECTIVE YEAR	15
ARTICLE XV - RULES OF ORDER	15
ARTICLE XVI - AMENDMENTS	15
ARTICLE XVII - DISSOLUTION	15
ARTICLE XVIII - MULTIPLE LISTING	15
MEMBERSHIP POLICY STATEMENTS	17
Statements of Membership Policy Related to Implementation of Board of Choice	
Concerning Boards of Choice Across State Lines	
Portability of Membership Records (Files)	
Clarification of the Term "Principal"	
Secondary Membership in a Board/Association	
Membership Requirements Related to Multiple Office Locations	

Bylaws of the REALTORS[®] Association of Maui, Inc.

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Article I – Name

Section 1. Name. The name of this organization shall be the REALTORS[®] Association of Maui, Incorporated, hereinafter referred to as the "Association."

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

Article II – Objectives

The objectives of the Association are:

Section 1. To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the National Association of REALTORS[®].

Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 4. To further the interests of home and other real property ownership.

Section 5. To unite those engaged in the real estate profession in this community with the Hawaii Association of REALTORS[®] and the National Association of REALTORS[®], thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

Section 6. To designate, for the benefit of the public, individuals authorized to use the terms REALTOR[®] and REALTORS[®] as licensed, prescribed, and controlled by the National Association of REALTORS[®].

Article III – Jurisdiction

Section 1. The territorial jurisdiction of the Association as a Member of the National Association of REALTORS[®] is the County of Maui (with the exception of Moloka'i).

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 rights of the National Association in the terms.

Article IV – Membership

Section 1. There shall be six classes of members as follows:

- (a) REALTOR[®] Members. REALTOR[®] Members, whether primary or secondary shall be:

1. Individuals who, as sole proprietors, partners, managers or members of a limited liability company, 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 Hawaii. 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 shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Board of REALTORS® within the state unless otherwise qualified for Institute Affiliate Membership as described in Section I (b) of Article IV.

In the case of a real estate firm, partnership, limited liability company, 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 or Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. (Amended 1/01)

NOTE: REALTOR® Members may obtain membership in a "secondary" Board or Association in another state.

2. Individuals who are engaged in the real estate profession other than as sole proprietors, partners, managers or members of a limited liability company, corporate officers, or branch office 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 within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to Association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; 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 Board or Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Board or Association in order for licensees affiliated with the firm to select the Board or Association as their "primary" Board or 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.
- (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. (Amended 1/02)
- (c) Affiliate Members. Affiliate Members shall be 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 the real estate profession on their own account or not associated with an established real estate office.

Article V – Qualification and Election

Section I. Application.

- (a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself or herself 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, 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. 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, managers or members of a limited liability company, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Board or Association through its Membership Committee or otherwise that he or 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 (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 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 nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, he or she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

**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, manager or member of a limited liability company, 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 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.*

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

- (b) Individuals who are actively engaged in the real estate profession within the state other than as sole proprietors, partners, managers or members of a limited liability company, corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Board or Association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the National Association of REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Membership Committee and shall agree in writing that if elected to membership he or she 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® membership:
1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years;
 2. Pending ethics complaints (or hearings);
 3. Unsatisfied discipline pending;
 4. Pending arbitration requests (or hearings);
 5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another Association with an ethics complaint or arbitration request pending, the Association may condition membership on the applicant's certification that he or she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the Association to which the applicant has made application) and will abide by the decision of the hearing panel. (Amended 1/01)

- (d) An applicant for Institute Affiliate Membership shall supply to the Membership Committee evidence that applicant holds 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 who otherwise holds a class of membership in such Institute, Society or Council that confers the right to hold office and shall agree, if elected to membership, to abide by the Constitution, Bylaws and Rules and Regulations of the local Board or Association, the State Association, and the National Association. (Amended 1/02)

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 Association dues and any application fees. A mandatory orientation program must be completed within sixty (60) days from the Association's receipt of applicant's application, dues, and fees. 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 Board of Directors.
1. 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, membership may, at the discretion of the Board of Directors, be terminated.
 2. If the individual does not complete the mandatory orientation program within sixty (60) days from the Association's receipt of their application, dues, and fees, membership will be terminated and the local and state application fees will be forfeited.

- (b) Dues shall be computed from the date of license affiliation with an Association member firm 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 (except as provided in Article V, Section 3 (a) 2 and Section 5) without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his or her behalf, to be represented by counsel, and to make such statements as he or she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.
- (d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Chief Staff Executive. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

Section 4. New Member Code of Ethics Orientation.

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two 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 ten (10) calendar days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

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

Section 5. Continuing Member Code of Ethics Training.

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

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed.

Members suspended for failing to meet the requirement for the first four (4) year cycle (2001 through 2004) will have until December 31, 2005, to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership.

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 or she holds membership shall be required to provide written notification to the Association within ten (10) calendar days. A REALTOR® (non-principal) who becomes a principal in the firm with which he or she 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 thirty (30) calendar 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) calendar 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.

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

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

Article VI – Privileges and Obligations

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

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the 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 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 nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the National Association of REALTORS®.

Section 3. Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the National Association of REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 4. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he or she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

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

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

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.

- (b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6 (a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6 (a) 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. (Amended 1/02)

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

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

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

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

Section 12. Certification by REALTOR®.

- (a) "Designated" REALTOR® Members of the Association shall certify to the Association during the month of December on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary Board or Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another Board or Association based on said non-member licensees, the Designated REALTOR® shall identify the Board or Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws.
- (b) "Designated" REALTOR® Members shall also notify the Association when a licensee affiliates with or leaves their firm within ten (10) days of the date of affiliation or severance of the individual. Failure to comply with notification shall result in a fine in an amount stated in the RAM Policies and Procedures Manual, as determined from time-to-time by the Board of Directors.

Section 13. 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 a hearing in accordance with the established procedures of the Association. Disciplinary action may also consist of any sanction authorized in the Association's Code of Ethics and Arbitration Manual. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. 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 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. 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 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 Terms REALTOR® and REALTORS®

Section 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the National Association of REALTORS®, use of the terms within its jurisdiction.

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 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 are REALTOR® Members of the Board or Institute Affiliate Members as described in Section 1(b) of Article IV.

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business. (Amended 1/01)

Section 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the National Association of REALTORS®.

Article IX – State and National Memberships

Section 1. The Association shall be a Member of the National Association of REALTORS® and the Hawaii Association of REALTORS®. 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 Hawaii Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

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

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

Article X – Dues and Assessments

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Association upon final approval of the application. (Amended 1/02)

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

(a) REALTOR® Members: The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Board or Association in the state or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board or Association in the state, provided the Designated REALTOR® notifies the Association in writing of the identity of the Board or Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated

with the Designated REALTOR[®] (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR[®] holds membership, and any other offices of the firm located within the jurisdiction of this Association. (Amended 1/05)

1. For the purpose of this Section, a REALTOR[®] Member of a Member Board or Association shall be held to be any Member who has a place or places of business within the state 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 I, of the Constitution of the National Association of REALTORS[®]. An individual shall be deemed to be licensed with a REALTOR[®] if the license of the individual is held by the REALTOR[®], or by any broker who is licensed with the REALTOR[®], or by any entity in which the REALTOR[®] has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business 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 a separate entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR[®] for consideration on a substantially exclusive basis shall annually file with the Association on a form approved by the Association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR[®] filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR[®].

Membership dues shall be prorated for any licensee included on a certification form submitted to the Association who during the same 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) REALTOR[®] Members. The annual dues of REALTOR[®] Members other than the Designated REALTOR[®] 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[®].

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other Board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 1/02)

- (d) Affiliate Members. The annual dues of each Affiliate Member shall be an amount determined annually by the Board of Directors.
- (e) Public Service Members. The annual dues of each Public Service Member shall be an amount determined annually by the Board of Directors.
- (f) Honorary Members. Dues payable, if any, shall be an amount determined annually by the Board of Directors.
- (g) Student Members. Dues payable, if any, shall be an amount determined annually by the Board of Directors.

Section 3. Dues Payable. Dues for all members shall be payable annually by the last day of the current fiscal year for the following fiscal year. Dues for new members shall be computed from the date of license affiliation with an Association member firm.

- (a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the Designated REALTOR®'s firm, the dues obligation of the Designated REALTOR® (as set forth in Article X, Section 2.a) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty (30) days of the notice of termination.
- (b) In the event a sales licensee or licensed or certified appraiser becomes employed by or affiliated with a Designated REALTOR® member, the Designated REALTOR®'s "non-member dues assessment" will increase by the amount established by the Board of Directors for such affiliation with the Designated REALTOR® and will be payable within thirty (30) days of notification of assessment.

Section 4. Nonpayment 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 (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.

Section 5. Deposits and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

Section 6. Expenditures. The Executive Committee shall administer, through the Executive Officer, the day-to-day finances of the Association.

Section 7. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or Association Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 8. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

Section 9. Segregation of Dues. The Treasurer shall record separately the dues collected and shall forward such dues to the respective Associations when collected. No portion of the sums collected on behalf of the National Association of REALTORS® and the Hawaii Association of REALTORS® shall be used for the purposes of the Board.

Article XI – Officers and Directors

Section 1. Officers. The Elective Officers of the Association shall be: A President, a President-Elect, the Immediate Past President, a Secretary, a Treasurer, and a Treasurer-Elect. The Secretary and Treasurer may be the same person. They shall be elected for terms of one (1) year.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Chief Staff Executive to keep the records of the Association and to carry on all necessary correspondence with the National Association of REALTORS® and the Hawaii Association of REALTORS®.

- (a) **Execution of Documents.** All checks, drafts, notes, bonds, acceptances, deeds, leases, contracts, and other important instruments, shall be executed on behalf of the Association by the President, President-Elect, or the Treasurer. The Chief Staff Executive shall be authorized to sign contracts and other agreements, and to co-sign checks, with any one of the aforementioned officers, the values(s) of which does not exceed an amount to be prescribed by the Board of Directors.

Section 3. Board Of Directors. The governing body of the Association shall be a Board of Directors consisting of the Elective Officers, the Immediate Past President and twelve (12) REALTOR® or REALTOR-ASSOCIATE® Members of the Association serving as Directors. Nine (9) of the Directors shall be elected to serve for terms of three (3) years, except that at organization, one-third of the elective Directors shall be elected for terms of one (1), two (2), and three (3) years, respectively, or for such lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many Directors shall be elected each year as are required to fill vacancies. A Director, after having served two (2) consecutive terms (six years) is not eligible for a third consecutive term as a Director. The remaining three (3) Directors shall serve for one (1) year and be elected at-large to represent the three (3) major areas of Maui, as follows: 1) Central, Upcountry and East; 2) South Maui; and, 3) West Maui. A Regional Director, after having served a one (1) year term, is not eligible for a second consecutive term as a Regional Director.

Section 4. Restrictions. Not more than three (3) persons connected with the same firm may serve on the Board of Directors during the same year, provided that not more than two (2) serve as an officer. In the event a change (e.g.; a merger of two offices or a change of firm by the members of the Board of Directors) occurs during any given year in conflict with this article, the officers and Directors may complete that year providing they are already in office.

Section 5. Election Of Officers and Directors.

(a) The annual election shall be held on a date set by the current Association Immediate Past President. At least ninety (90) days before the annual election, a nomination committee, consisting of the Immediate Past President as Chairperson, and at least six (6) Members, one of whom shall be the current President-Elect, shall be appointed by the President with the approval of the Executive Committee or Board of Directors. No member serving on the Nomination Committee may be nominated for a position on the slate.

The committee shall select two (2) candidates for each office except the President and Treasurer and at least two (2) candidates for each place to be filled on the Board of Directors. No candidate shall accept nomination for more than one office (except as provided in Article XI. Section 1 and 3), and each candidate, upon being nominated, must signify a willingness to serve if elected.

The Slate of Officers and Directors shall be mailed or, where permitted by state law, electronically transmitted, to each Member at least 45 days preceding the election. Additional candidates for any Officer or Director position (other than President or Treasurer, unless the President-Elect or the Treasurer-Elect for any reason is unable or unwilling to be automatically elected as the President or Treasurer upon the completion of his or her term as President-Elect or Treasurer-Elect) may be nominated by petition. Petitions must have the signatures of at least five percent (5%) of the total Membership eligible to vote as of the last day of the preceding fiscal year. The petition shall be filed with the Chief Staff Executive at least thirty (30) days before the election. The Chief Staff Executive shall send notice of such additional nominations to all Members eligible to vote before the election.

- (b) The election of Officers and Directors shall take place at the annual meeting, by mailed written ballot, or, where permitted by state law, electronically.
- (c) The President, with the approval of the Executive Committee or Board of Directors, shall appoint an Election Committee of at least six (6) REALTOR® Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.
- (d) There shall be no cumulative voting.

Section 6. 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 7. Removal of Officers and 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 to be 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.

Section 8. Chief Staff Executive. There shall be a Chief Staff Executive, appointed by the Board of Directors, who shall be the chief administrative officer of the Association. 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 9. HAR Director-At-Large. The Executive Committee shall nominate at least one (1) candidate for each vacant position to be approved by the Board of Directors. When possible, an HAR Director-at-Large nominee should be a current or past member of the RAM Board of Directors. Any Member approved for HAR Director-at-Large may also be nominated for an RAM Officer or Director.

- (a) **Duties of the HAR Director-at-Large.** The duties of the HAR Directors-at-Large shall include required attendance at RAM and HAR Board of Directors' Meetings; being a voice for the RAM Membership; and reporting to RAM Membership through the Board of Directors.

Section 10. Forfeiture of Office. When an elected Officer or Director ceases to be a member of the Association, his or her term shall automatically terminate.

Article XII – Meetings

Section 1. Annual Meetings. The annual meeting of the Association shall be held in July, August, or September of each year on the island of Maui; the date, place, and hour to be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from two (2) consecutive scheduled meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation.

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 the written request of at least ten percent (10%) of the REALTOR® Members.

Section 4. Notice Of Meetings.

- (a) **Scheduled Meetings.** Written notice (including via electronic means) shall be given to every Member entitled to participate in a scheduled meeting at least seven (7) calendar days preceding the scheduled meeting.
- (b) **Unscheduled Meetings.** Unscheduled Meetings of the Board of Directors may be called anytime by the President, or by either three (3) members of the Executive Committee or seven (7) members of the Board of Directors, as required, with at least 24-hours written notice signed by those calling the meeting. If an unscheduled meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum.

- (a) **REALTOR® Meeting.** A quorum for the transaction of business shall consist of ten percent (10%) of the members eligible to vote.
- (b) **Board of Directors Meeting.** A quorum for the transaction of business for Board of Directors' Meetings shall consist of a majority of the Board of Directors.

- (c) Executive Committee Meeting. A quorum for the transaction of business for Executive Committee Meetings shall consist of a majority of the Executive Committee.
- (d) Committee Meeting. A quorum for the transaction of business for Committee Meetings shall consist of a majority of the Committee.

Section 6. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means.

Section 7. Action Without Meeting.

- (a) Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more Directors. All the approvals evidencing the consent shall be delivered to the Chief Staff Executive to be filed in the corporate records. The action taken shall be effective when all the Directors have approved the consent unless the consent specifies a different effective date.
- (b) In accordance with Section 415B-64 of the Hawaii Revised Statutes, a meeting of the Directors or of a committee of the Directors may be held via telecommunications (i.e., conference telephone, speaker phone, or similar communication equipment), by means of which all persons participating in the meeting can simultaneously hear each other. Participation by this means shall constitute presence in person at a meeting, and does not require a unanimous decision.

Article XIII – Committees

Section 1. Standing Committees. The President shall appoint chairpersons for the following Standing Committees, and the chairpersons shall appoint committee members from the Association Members, subject to confirmation by the Executive Committee or Board of Directors.

- Finance
- Governmental Affairs (GAC)
- Grievance
- Multiple Listing Service (MLS)
- Professional Standards & Arbitration (PSAC)

Section 2. Special Committees. Special Committees may be added or deleted at the discretion of the Board of Directors. The President shall appoint chairpersons for Special Committees, and the chairpersons shall appoint committee members, from the Association Members, as deemed necessary, subject to confirmation by the Executive Committee or Board of Directors.

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

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

Section 5. Executive Committee. The Executive Committee shall consist of the President, President-Elect, Immediate Past President, Secretary, Treasurer, and Treasurer-Elect. The Chief Staff Executive serves as a non-voting member of the Executive Committee.

- (a) In addition to other duties as authorized by the Board of Directors, the Executive Committee shall have the authority and the responsibility to act, in Executive Session, as the Personnel Review Committee for the Chief Staff Executive.

Article XIV – Fiscal and Elective Year

Section 1. The fiscal year of the Association shall be October 1 to September 30.

Section 2. The elective year of the Association shall be October 1 to September 30.

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 via mail by majority vote of at least ten percent (10%) of the REALTOR[®] Members, or by majority vote of such Members present and qualified to vote at any meeting at which a quorum of at least ten percent (10%) of the REALTOR[®] Members is present. The substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting.

When Bylaws amendments are mandated by NAR policy, these Bylaws shall be automatically amended to reflect the mandate as of the effective date of the mandatory policy authorized by the National Association of REALTORS[®]. The Association shall provide notice of that change in a regular or special membership communication.

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed to every member eligible to vote at least one (1) 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 Hawaii Association of REALTORS[®] or, within its discretion, to any other non-profit tax exempt organization.

Article XVIII – Multiple Listing

Section 1. Authority. The REALTORS[®] Association shall maintain for the use of its Members a Multiple Listing Service which shall be subject to the Bylaws of the REALTORS[®] Association and such Rules and Regulations as may be hereinafter adopted.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency 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 data bases; 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). (Amended 1/05)

Section 3. Participation. Any REALTOR[®] Member of this or any other Association who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and are capable of offering and accepting compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.* Use of information developed by or published by an Association Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation" or "membership" or any right of access to information developed by or published by an Association Multiple Listing Service where access to such information is prohibited by law.

*Generally, Boards or Associations of REALTORS[®], when there is more than one principal in a real estate firm, define the Designated REALTOR[®] of the firm as the MLS "Participant." 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.

Section 4. Supervision. The activity shall be operated under the supervision of the Multiple Listing Committee, in accordance with the Rules and Regulations, subject to approval of the Board of Directors of the REALTORS[®] Association.

Section 5. Appointment of Committee. The President shall appoint a chairperson, and the chairperson shall appoint at least seven (7) REALTOR[®] Members, as defined in Article XIII, Section 1.

Section 6. Vacancies. Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7. Attendance. Any Committee member who fails to attend three (3) consecutive regular or special meetings of the Committee, without excuse acceptable to the Chairperson of the Committee, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointees.

Section 8. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

Membership Policy Statements Approved by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®

(The following policy statements are informational, and not part of the Bylaws.)

Statements of Membership Policy Related to Implementation of Board of Choice

That, effective upon approval by the Board of Directors, the following statements of membership policy and amendments to the Model Board Bylaws to implement the Board of choice proposal be adopted.

The primary Board of affiliation elected by a REALTOR® must be in the state where the REALTOR® is licensed and maintains his or her principal place of business. Licensees affiliated with a REALTOR® firm may choose as their "primary" Board any Board in the state where the firm maintains a "Designated" REALTOR®.

Membership shall be available in a secondary Board on terms and conditions no more stringent than the requirements established in the Board's Bylaws for REALTOR® membership. The privileges of membership shall be the same including the right to vote and hold office. Membership will be granted to individuals who hold REALTOR® membership in their primary Board without any requirement that the Designated REALTOR® they are licensed or affiliated with hold membership in the secondary Board. However, MLS services will only be available if the Designated REALTOR® participates in the MLS. Board dues shall not include a national allocation since NAR dues have been paid through the member's primary Board. A state allocation may only be included if the member's primary Board is located in a different state.

REALTORS® shall be entitled to purchase services from Boards other than their primary Board without the necessity of holding membership in those Boards. Service fees will be determined by the individual Boards. However, the Board may require that a REALTOR® (principal) be licensed in the state as a condition of MLS participation. (Adopted 2/94; amended 11/96)

Concerning Board of Choice Across State Lines

That the membership choices currently provided under Board of Choice be expanded across state lines as follows:

Members may join a primary Board across contiguous state lines. State Association membership would be in the state where primary Board membership is held. To become effective July 1, 1996, with optional local Board adoption sooner. (Adopted 11/95)

Portability of Membership Records (Files)

In order to facilitate timely processing of applications for membership and to assist associations in determining an applicant's qualification for REALTOR® membership, associations shall, based on a request from another association, share information about current or former members. Minimum "core" member information shall include:

1. Previous applications for membership;
2. All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years (when available);
3. Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties;
4. Incomplete or (pending) disciplinary measures;
5. Pending arbitration requests (or hearings);
6. Unpaid arbitration awards or unpaid financial obligations to the association or its MLS.

An association may, at its discretion, consider information received from other associations when determining whether an applicant satisfies the association's membership requirements as established in the association's bylaws (not to exceed NAR's Membership Qualification Criteria). (Adopted 2/96)

Clarification of the Term "Principal"

The term "principal" as used in the NAR Constitution and Bylaws and in other relevant policies, includes licensed or certified individuals who are sole proprietors, partners in a partnership, officers or majority shareholders of a corporation, or office managers (including branch office managers) acting on behalf of principals of a real estate firm. (Adopted 11/96)

Secondary Membership in a Board/Association

When a member has joined a primary association and paid local, state, and national dues, secondary membership may be held in a local association in another state (provided the applicant meets all of the qualifications for membership) without holding membership in that state association, or alternatively, secondary membership may be held directly in the state association without holding membership in a local association in that state. (Adopted 11/96)

Membership Requirements Related to Multiple Office Locations

When considering an applicant for REALTOR[®] membership who is a principal in a real estate firm, associations have an obligation to determine that all of the principals of the real estate firm who are actively engaged in the real estate business in the state are either applying for or already hold REALTOR[®] membership (or Institute Affiliate membership, if applicable) in a Board or Association. (Adopted 11/96)

If an association (local, state, national) is notified by another association that a REALTOR[®] member has an office location elsewhere in the state that is not functioning as a "REALTOR[®]-office" (i.e., licensees affiliated with the office are not members or are not accounted for under the DR dues formula) the association where the REALTOR[®] holds primary membership shall be responsible, in cooperation with the state and national associations, for ensuring compliance with applicable membership policies (i.e., that said licensees hold membership in the REALTOR[®]'s primary association – or some other association in the state where the firm maintains a designated REALTOR[®] presence – or that dues have been paid to an association based on non-member licensees affiliated with the office. (Adopted 11/96)