

BYLAWS OF THE KANSAS ASSOCIATION OF REALTORS®, INCORPORATED

OVERALL DESCRIPTION AND INTENT OF PROPOSED BYLAW AMENDMENTS:

• SUBSTANTIVE CHANGES IN ARTICLE II, IV AND V RELATING TO MEMBER COUNCILS.

- In May 2014, the NAR Board of Directors adopted the Core Standards for all REALTOR® associations. The deadline for local boards in Kansas to comply with these requirements is June 1, 2015.
- At this time, the association is engaged in an intensive effort to reach out to local boards to determine if they are preparing to demonstrate their compliance with the Core Standards or, in the alternative, if they are planning on dissolving, merging with other local boards or looking at other options of staying involved in the association if they are unable to demonstrate compliance with the Core Standards.
- The KAR Governance Task Force has recommended that local boards that cannot demonstrate compliance with the Core Standards should be given the option of affiliating with the state association or another local board as a "Member Council." This would allow REALTORS® in the affected local boards to remain involved as a recognized local community group with the association and give them a voice in association governance issues. This would also provide the state association and local boards with a group of volunteers to help deliver services to REALTORS® located in the geographic areas to be covered by Member Councils.
- The new language contained in Articles II, IV and V would simply establish the option for groups of REALTORS® within defined geographic areas to be recognized as a Member Council, to affiliate with the state association or another local board and to have representation on the KAR Board of Directors.

• TECHNICAL CHANGES IN ALL ARTICLES.

- In addition, the Governance Task Force is also recommending various technical amendments to address drafting issues within the bylaws, add subject headings to all sections to improve the readability of the bylaws and to add some consistency to the language between the various articles and sections.

• RATIONALE FOR INDIVIDUAL SECTIONS CONTAINED BELOW.

- You will find the rationale for the specific change proposed below each section in Articles II, IV and V. This rationale will explain the intent of the section and briefly summarize the proposed language for each section that contains a substantive change.

ARTICLE I – NAME AND OBJECTS PURPOSE OF THE ORGANIZATION

SECTION 1. NAME OF THE ORGANIZATION: The name of the organization shall be the Kansas Association of REALTORS®, Incorporated, hereinafter referred to as the Association. As used herein the term REALTOR® is a trademark owned by the National Association of REALTORS® chartered for use to the Association.

SECTION 2. PURPOSE OF THE ORGANIZATION: The ~~objects~~ purpose of the Association shall be to unite ~~Local~~ ~~Member~~ Boards of REALTORS®; (hereinafter referred to as ~~Member~~ Boards), ~~Member Councils~~ and their Members and Individual REALTOR® Members in the State of Kansas for the purpose of exerting a combined influence upon matters affecting real estate; and to elevate the standards of the real estate business throughout the state and the professional conduct of persons engaged therein.

ARTICLE II – MEMBERSHIP

SECTION 1. ASSOCIATION MEMBERSHIP CATEGORIES: The Members of this Association shall consist of ~~six classes~~ ~~eight categories~~: (1) Member Boards; (2) Member Councils; ~~(2)~~ (3) Board Members; ~~(3)~~ (4) Individual Members; ~~(4)~~ (5) Institute Affiliate Members; (6) Affiliate Members; (7) Honorary Members; and (8) Ex-Officio Members ~~(5)~~ ~~Affiliate Members~~; and ~~(6)~~ ~~Honorary Members~~.

SECTION 2. MEMBER BOARDS: A Member Board shall be any Board within the State of Kansas, all the REALTOR® Members of which hold primary membership in the board ~~shall hold~~ and membership in this Association and in the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 3. MEMBER COUNCILS: A Member Council shall be any Council within the State of Kansas, all the REALTOR® Members of which hold membership in the Association and in the National Association of REALTORS®.

- A. APPLICATION AND APPROVAL OF MEMBER COUNCILS:** Any Member Council seeking recognition by the Association under these Bylaws must file an application for approval with the Association and be approved by a majority vote of the Board of Directors. The Board of Directors shall have the discretion to approve or reject any application submitted to the Association by any Member Council that seeks recognition under these Bylaws.
- B. REQUIREMENTS FOR MEMBER COUNCILS:** The Board of Directors shall have the authority to adopt requirements that must be satisfied by any Member Council that seeks to obtain or maintain recognition as a Member Council under these Bylaws.
- C. AFFILIATION OF MEMBER COUNCILS:** Any Member Council seeking recognition by the Association under these Bylaws shall be affiliated with either the State Association or a Member Board. Any Member Council that seeks recognition under these Bylaws and requests to affiliate with the State Association shall not include any geographic area within the jurisdiction of a Member Board.
- D. REVOCATION OF MEMBER COUNCIL RECOGNITION:** The Board of Directors shall have the authority to revoke the recognition of any Member Council that fails to satisfy the requirements adopted by the Board of Directors to maintain recognition as a Member Council. If any geographic area contained within a Member Council affiliated with the State Association is placed under the jurisdiction of a Member Board, the Board of Directors shall have the authority to revoke the affiliation of the Member Council with the State Association.

INTENT AND RATIONALE OF PROPOSED CHANGES:

- The intent of the proposed changes in Article II, Section 3 is to define a Member Council, establish the requirements for obtaining and maintaining recognition as a Member Council, require that a Member Council must affiliate with either the state association or a local board and to establish the authority of the Board of Directors to revoke the recognition of a Member Council in certain situations.
- Under Section 3(A), the Board of Directors would be granted the authority to review and approve or reject applications for recognition as a Member Council. In order to approve an application for recognition as a Member Council, the Board of Directors would need to approve the application on a majority vote.
- Under Section 3(B), the Board of Directors would be granted the authority to adopt requirements that must be met by Member Councils to both obtain and maintain recognition as a Member Council. As written, these requirements will be considered in a separate document by the Board of Directors. However, the draft document would require the Member Council to demonstrate advocacy engagement and consumer outreach in the geographic area that will be covered by the Member Council and to hold one annual meeting to elect a representative of the Member Council to the Board of Directors for the state association.
- Under Section 3(C), each Member Council would be required to affiliate with either the state association or a local board located in Kansas. Basically, the Member Council will have no direct relationship with the National Association of REALTORS®. Instead, the Member Council will simply assist either the state association or the local board in delivering advocacy engagement and consumer outreach activities to any REALTORS® located within the geographic area covered by the Member Council.
- The Member Council would not be required to file as a non-profit corporation with the Internal Revenue Service (IRS) or the State of Kansas and would not be allowed to claim a geographic jurisdiction under the umbrella of the National Association of REALTORS®. If a Member Council chooses to affiliate with the state association, any other local board within the state of Kansas could file an application with the National Association of REALTORS® to claim the geographic area covered by the Member Council.
- Under Section 3(D), the Board of Directors would be granted the authority to revoke the recognition of any Member Council that fails to satisfy the requirements adopted by the Board of Directors to maintain recognition as a Member Council. In addition, the Board of Directors would also be granted the authority to revoke the affiliation of any Member Council with the state association if the geographic area covered by the Member Council is placed under the jurisdiction of a local board by the National Association of REALTORS®.

SECTION 3 4. BOARD MEMBERS: A Board Member shall be any REALTOR® Member of a Member Board in good standing.

SECTION 4 5. INDIVIDUAL MEMBERS: An Individual REALTOR® Member shall be any individual engaged in the real estate business as a principal, partner, or officer of a corporation whose place of business is located in an area outside the jurisdiction of any Member Board and who holds REALTOR® Membership in this Association. Individual REALTORS® or licensed individuals affiliated with an Individual REALTOR® Member may become REALTOR® Members of the Association. Secondary REALTOR® membership shall also be available to individuals who hold primary membership in a ~~board/association~~ board or association in another state and who desire to obtain direct membership in the state association without holding membership in a local ~~board/association~~ board or association in the state.

SECTION 5 6. 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. Individuals whose places of business are located in an area outside the jurisdiction of a Member Board of REALTORS® shall be eligible to apply for Institute Affiliate Membership in the State Association if they meet the requirements as specified above.

SECTION 6 7. AFFILIATE MEMBERS: Affiliate Members shall be real estate owners and other individuals or firms.

SECTION 7 8. HONORARY MEMBERS: Honorary Members shall be individuals other than those engaged in the real estate business who have contributed notably to this Association.

SECTION 8 9. EX-OFFICIO MEMBERS: In addition, those persons who are currently employed in an executive, administrative or management capacity by a Member Board, or the Association, ~~holding membership in the National Association, an Institute, Society or Council of the National Association~~ shall be eligible for Individual Membership without payment of dues and shall be entitled to all rights and privileges of Individual Membership except the right to use the term REALTOR®, hold elective office, or vote.

ARTICLE III – DUES

SECTION 1. DUES OF MEMBER BOARDS:

- A.** The annual dues of each Member Board as defined in Article II of these Bylaws shall be an amount equal to the number of REALTOR® Members who hold primary membership in the Board times an amount as established from time-to-time by the Board of Directors, plus the number of individuals licensed as real estate salespersons or brokers and licensed or certified appraisers, as of January 1st, with REALTOR® Members of the Board who are not themselves REALTORS®, times an amount as established from time-to-time by the Board of Directors.
- B.** In instances where a Member Board has territorial jurisdiction in two or more states, REALTOR® Members of that Member Board will have the option of choosing to which State Association they will belong and pay dues. In calculating the dues payable by a member Board, nonmembers, as defined in the preceding sentence, shall not be included in the computation of dues if dues have been paid in another Board in the State, provided the Board notifies the Kansas Association of REALTORS® in writing of the identity of the Board to which dues have been remitted. Dues for all Member Boards shall be payable annually in advance on the first day of January.

SECTION 2. DUES OF INDIVIDUAL REALTOR® MEMBERS:

- A.** The annual dues of each Individual REALTOR® Member actively engaged in the real estate business from areas not within the jurisdiction of a Member Board shall be an amount as established from time-to-time by the Board of Directors, plus an amount as established from time-to-time by the Board of Directors times the number of licensed real estate salespersons or brokers and licensed or certified appraisers who

are employed by or affiliated as independent contractors as of January 1st with such REALTOR® Members, who are not themselves REALTORS® provided; however, that if two or more REALTORS® are principals of the same firm, partnership, or corporation, then only that REALTOR® designated from time-to-time in writing (the "Designated REALTOR®") by the firm, partnership, or corporation shall be required to pay that portion of the dues which is computed on the basis of individual licensed real estate salespersons or brokers and licensed or certified appraisers employed by or affiliated as independent contractors with such firm, partnership, or corporation. The dues of the remaining REALTORS® who are principals of such firm, partnership, or corporation, shall be the same amount as the REALTOR® Member.

- B.** In January of each year, each individual REALTOR® Member shall file with the Association and certify to a list of licensees affiliated with or employed by said individual REALTOR®. Dues of all individual Members shall be payable annually in advance on the first day of January.

SECTION 3. DUES OF REALTOR® MEMBERS OF MEMBER BOARDS:

- A.** For the purpose of this section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place of business within the jurisdiction of the Kansas Association of REALTORS® or a contiguous state and who, as a principal, partner, or officer of a real estate firm or corporation, is actively engaged in the real estate business as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®, which is hereby incorporated by reference. A REALTOR® Member of a Member Board shall be held to be any Member employed by or affiliated with a REALTOR® Member as a sales employee or independent contractor.
- B.** An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by a REALTOR®, ~~or by~~ any broker licensed with the REALTOR®, ~~or by~~ an entity in which the REALTOR® has a direct or indirect ownership interest and, which is engaged in other aspects of the real estate business (except as provided for in Section 2 hereof), provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity. REALTOR® Members are advised that upon payment to the National Association of the dues required by that organization and meeting their membership criteria under their bylaws and other governing requirements, each REALTOR® Member in good standing of a Member Board shall be deemed respectively a REALTOR® Member in good standing of the National Association.
- C.** A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.
- D.** Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

SECTION 4. DUES OF 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®.

Section 5. DUES OF AFFILIATE MEMBERS: The annual dues of each Affiliate Member shall be an amount as established from time-to-time by the Board of Directors. Dues for all Affiliate Members shall be payable annually in advance on the first day of January.

SECTION 6. AT-LARGE REALTOR® MEMBERS: Upon payment to the Kansas Association of REALTORS® of the dues required under Sections 1, 2 and 4 of this Article, each REALTOR® from areas not within the jurisdiction of a Member Board within the State, shall be deemed a REALTOR® in good standing of the Kansas Association of REALTORS®. Upon payment of dues required under any other Sections of this Article, the individual making such payment shall be deemed a Member as designated in good standing of the Kansas Association of REALTORS®.

SECTION 7. PAYMENT OF DUES:

- A.** The annual dues for Member Boards and Individual Members are due and payable January 1 and delinquent after February 14th. Dues shall be transmitted to the Kansas Association of REALTORS® along with a list of all REALTORS® Members (as defined in Article III, Section 1(C) Constitution, NATIONAL ASSOCIATION OF REALTORS®) and the individual licensees employed by or affiliated with the Designated REALTORS® as independent contractors as licensed real estate salespersons or brokers or as licensed or certified appraisers certified by the Designated REALTOR®.
- B.** Each month thereafter, new REALTOR® dues and membership information for the preceding month shall be transmitted to the Kansas Association of REALTORS® along with membership information changes and drops. The annual dues shall be prorated on a monthly basis. There shall be no refund of dues.
- C.** Any Member Board or Individual Member submitting dues after February 14 for an existing Member as of January 1, shall be assessed a late fee of \$10.00 per Member. The membership of any Member Board or other Member delinquent in payment of such dues on March 31 shall automatically terminate on April 1.

SECTION 8. ADMINISTRATIVE PROCESSING FEE:

- A.** ~~(a) FEE.~~ **FEE** – An Administrative Processing Fee of an amount as established from time to time by the Board of Directors shall be due and payable for all new Members or licensees as of the date of affiliation with any REALTOR® member of a Member Board or any Individual REALTOR® Member. Each Member Board shall file the names of such new Members or licensees affiliated with REALTOR® Members of the Board and the Individual Member shall file the names of each new Licensee and pay such administrative fee on a monthly basis. The Administrative Processing Fee shall be submitted along with the dues. A Member Board delinquent in submitting new Member dues and/or administrative processing fees for new Members on a monthly basis shall be assessed a late fee of \$5.00 per new Member of said Board. There shall be no refund of such fees.
- B.** ~~(b) WAIVER.~~ **WAIVER** – A Member who paid dues for the current calendar year, and then was placed on inactive status by their licensing authority who is then later reinstated may also have their Association membership reinstated during that current calendar year dues were paid without payment of a new member Administrative Processing Fee.
- C.** ~~(c) MILITARY WAIVER.~~ **MILITARY WAIVER** – The dues for any REALTOR® Reservist or National Guardsmen involuntarily recalled to active duty for more than 30 days shall be granted a waiver of dues. This waiver does not apply to active duty military who also hold REALTOR® membership or Reservists and Guardsmen performing their normal annual two weeks of active duty for training.

ARTICLE IV – OFFICERS

SECTION 1. ELECTION, TERM AND VACANCIES OF OFFICERS:

- A.** **ELECTION OF OFFICERS** – With the exception of the President, the officers of the Association shall be elected by the voting Directors at the Mid-Year meeting of the Board of Directors. The persons elected by the Directors to any office of this Association shall be any REALTOR® Member of this Association. ~~The officers shall serve for a term of one (1) year, except Zone Vice Presidents, commencing upon January 1 following their election, until their successors are elected, or until their respective deaths, resignations or removals, whichever first occurs.~~ The officers to be elected at the Mid-Year meeting each year shall be the President-Elect, a First Vice President/Treasurer, and a Vice President from each of the Zones in the state. No election of the President shall take place as the term of office of the President ends on December 31 of each year and the President-Elect of the Association shall succeed to the office of President automatically and shall assume office on January 1 following installation at the annual convention.

- B. TERMS OF OFFICERS** – The officers shall serve for a term of one (1) year, except Zone Vice Presidents, commencing upon January 1 following their election, or until their successors are elected, or until their respective deaths, resignations or removals, whichever first occurs. The President and President-Elect shall not be eligible to serve a second successive term except in the event the President-Elect shall fill the unexpired term of the President and is approved by the Board of Directors. Each Zone Vice President from an even numbered Zone shall serve a two year term commencing in an even numbered year. Each Zone Vice President from an odd numbered Zone shall serve a two year term commencing in an odd numbered year.
- C. CERTIFICATION OF CANDIDACIES** – All Members who are to be certified candidates for the positions of President-Elect and First Vice President/Treasurer to be elected during the current calendar year shall have declared their candidacy for such office in writing to the Chief Executive Officer. All candidates for such offices shall be announced at the Mid-Year Board of Directors Meeting provided the Chief Executive Officer has certified that such candidates are members in good standing and provided that at least one Member Board or Member Council has placed said candidate's name in nomination. Certified candidacies shall be closed thirty (30) days prior to the date of the Mid-Year Board of Directors meeting.
- D. NOMINATIONS FROM THE FLOOR AND VOTING** – All certified candidates' names for the positions of President-Elect and First Vice President/Treasurer shall be placed before the Board of Directors at the Mid-Year meeting. Additional nominations shall be permitted from the floor, provided such nominees are members in good standing. All Directors or their duly accredited alternates shall be allowed to vote for the positions of President-Elect and First Vice President/Treasurer. The candidates shall be voted upon by written ballot or in any manner prescribed by the majority of the Directors in attendance at the Mid-Year meeting and the candidate receiving the majority of votes cast shall be declared elected.

SECTION 2. ELECTION OF ZONE VICE PRESIDENTS AND ORGANIZATION OF ZONES:

- A. NOMINATIONS OF ZONE VICE PRESIDENTS** – All nominations by Local Member Boards or Member Councils within the Zone in which a vacancy exists for the position of Zone Vice President shall be submitted for election. Only the Directors from within that Zone shall vote on this office. All nominees must be a member of the Kansas Association of REALTORS® and a Board within that Zone and the Chief Executive Officer must have certified such nominees to be members in good standing. Nominations shall also be permitted by Directors or Alternates, in attendance at the Mid-Year meeting, from the Zone in which the vacancy exists provided the nominee is a member in good standing of the Kansas Association of REALTORS® and a Board within that Zone. No Member Board or Member Council shall have members serve in the office of Zone Vice President more than two consecutive terms. A board Member Board or Member Council having a member or members serving two consecutive terms shall be ineligible to have a member serve a third consecutive term, unless there are no candidates from any other eligible board Member Board or Member Council in that zone. If there are no announced candidates from the eligible boards Member Boards or Member Councils in that zone thirty days prior to the zone caucus at the Mid-Year Director's meeting, a candidate's name placed in nomination by the ineligible board Member Board or Member Council shall be a valid candidate for election along with any other candidates that may be announced after that date or placed in nomination at the zone caucus from eligible boards Member Boards or Member Councils. Boards Member Boards and Member Councils shall notify the Chief Executive Officer, in writing, of announced candidates.

INTENT AND RATIONALE OF PROPOSED CHANGES:

- The intent of the proposed changes in Article IV, Section 2 is to clarify that a REALTOR® belonging to a Member Council is eligible to be nominated and elected for the position of Zone Vice President. As you can see in the language above, the term "Member Council" has simply been added in multiple places.
- The rationale for the proposed changes is to ensure that every REALTOR® who belongs to the association has an opportunity to be nominated and elected to Zone Vice President positions. Even if a REALTOR® does not belong to a Member Board, they still deserve the opportunity to have a voice in association governance.

- B. MEMBER BOARDS ACCOUNTING FOR 25% OF THE ASSOCIATION MEMBERSHIP** – Any ~~local board~~ **Member Board** that has REALTOR® membership which accounts for twenty-five percent (25%) of the total REALTOR® membership of the Kansas Association of REALTORS® as of November 30th of the previous two years shall be its own Zone, with its Zone Vice President, appointed or elected for a two (2) year period by the ~~local board~~ **Member Board**.
- C. ZONES DISSOLVED OR AT RISK OF DISSOLVING BASED ON MEMBERSHIP TOTALS** – If the REALTOR® membership of a **Member Board** which exists as its own Zone does not account for twenty-five percent (25%) of the total REALTOR® membership in the Kansas Association of REALTORS® for two consecutive years, as determined by counts on November 30th of the previous two years, the Zone shall be deemed to cease to qualify as such and, as such, shall be dissolved, and the **Member Board** shall then be reassigned to an existing Zone on the basis of its current geographical location. The respective Zone Vice President’s position and office will also be automatically dissolved immediately and without the necessity of further action. ~~(a)~~ The first year a **Member Board** that exists as its own Zone does not account for twenty-five percent (25%) of the total REALTOR® membership in the Kansas Association of REALTORS®, based on counts taken as of November 30th of the previous year, the KAR Chief Executive Officer shall notify the ~~Board~~ **President of the Member Board** and the Zone Vice President of the possibility of the Zone’s dissolution the following year.
- D. MEMBER BOARDS AND MEMBER COUNCILS ACCOUNTING FOR LESS THAN 25% OF TOTAL ASSOCIATION MEMBERSHIP** – ~~Local Member Boards or Member Councils~~ **Local Member Boards or Member Councils** that do not account for twenty-five percent (25%) of the total REALTOR® membership of the Kansas Association of REALTORS® shall be assigned to a Zone based on geography. ~~Local Member Boards or Member Councils~~ **Local Member Boards or Member Councils** who wish to change the Zone to which the ~~Board or Council~~ **Board or Council** is assigned shall send a written request, at least 60 days in advance of the next scheduled Board of Directors meeting, to the President of the Association, the Zone Vice President of the ~~Board’s or Council’s~~ **Board’s or Council’s** current Zone, and the Zone Vice President of the proposed new Zone. The request shall be considered at the next Board of Directors meeting and the change of Zone shall be granted by a majority vote of the Board of Directors. In the event the change of Zone is granted or Zone reassignment is made changing the boundaries, such boundaries will be accordingly redrawn as directed by the Board of Directors. Notwithstanding any of the above, all Zone boundaries and their numbers are assigned as determined or directed by the Board of Directors in its discretion which likewise then determines the selection and term of office for the respective Zone Vice President. ~~The candidates shall be voted upon by written ballot or in any manner prescribed by the majority of the Directors in attendance at the Mid-Year meeting and the candidate receiving the majority of votes cast shall be declared elected.~~

SECTION 2 3. DUTIES OF THE OFFICERS:

- A. ~~(a)~~ THE PRESIDENT** – The President shall preside at all meetings of the Board of Directors and Executive Committee and shall serve as an ex officio member of all committees and shall call meetings at the direction of the Board of Directors or the Executive Committee. The President shall call meetings of the Board of Directors subject to the provisions of these Bylaws, and shall appoint the standing committees of the Association except as otherwise provided by these Bylaws. In addition, the President shall have other powers, duties and responsibilities which may be delegated to him or her by the Board of Directors.
- B. ~~(b)~~ THE PRESIDENT-ELECT** – The President-Elect shall preside at all meetings in the absence of the President. In the event of the death or incapacity of the President, the President-Elect shall exercise all the powers and duties granted to the President hereinabove. The President-Elect shall act as the representative of the President in such matters as may be assigned. The President-Elect shall select all appointments to committee vacancies for the ensuing year and announce such appointments at the time of the annual convention. The President-Elect shall serve as Chairman of the Budget and Finance Committee.
- C. ~~(c)~~ THE FIRST VICE PRESIDENT** – The First Vice President shall serve as the Vice Chairman of the Budget & Finance Committee and as Treasurer of the Association. The First Vice President shall attend each of the Board of Director meetings for Real Estate Business Resources, Inc.

- D. ~~(d)~~ THE CHIEF EXECUTIVE OFFICER** – The Executive Committee established in accordance with Article VI shall employ a Chief Executive Officer who shall be the chief administrative officer of the Association and shall also serve as Secretary. The Chief Executive Officer shall be a paid employee of the Association. The Chief Executive Officer shall have supervision of the entire staff and shall perform such other duties as may be delegated by the President, Executive Committee, Board of Directors or Senior Management Team. The Chief Executive Officer shall provide a surety bond in such amounts as the Board of Directors may determine, the cost to be paid by the Association. The Chief Executive Officer with the approval of the Executive Committee may employ such other people as may be necessary to conduct the activities of the Association. An annual review of the Chief Executive Officer shall be made by the Senior Management Team with recommendations made to the Executive Committee.
- E. ~~(e)~~ THE ZONE VICE PRESIDENTS** – ~~Each Zone Vice President from an even numbered Zone shall serve a two year term commencing in an even numbered year. Each Zone Vice President from an odd numbered Zone shall serve a two year term commencing in an odd numbered year.~~ Each Zone Vice President shall keep the Senior Management Team, Executive Committee and Board of Directors in close contact with the real estate interests in ~~his/her~~ **his or her** respective Zone. The Zone Vice President shall be responsible for contacting all Boards **and Councils** in the Zone for help that may be needed in any state or national legislation affecting the interests of the real estate industry. Said Zone Vice Presidents shall have such other duties as may, from time to time, be delegated to them by the Board of Directors, Executive Committee or Senior Management Team. The Zone Vice Presidents may meet from time to time with the Association Directors from within their Zone and may call a meeting of their Association Directors from within their Zone ~~during the Legislative, Mid-Year and/or annual convention~~ **prior to the any** meeting of the Board of Directors. They will act as liaisons to the committees as appointed by the President-Elect for the ensuing year.
- F. ~~(f)~~ THE SECRETARY** – The Secretary shall: (1) keep the minutes of the proceedings of the Board of Directors, Executive Committee and the Senior Management Team in one or more books provided for that purpose; (2) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (3) keep a register of the post office address of each Member; and (4) in general, perform all duties incident to the office of Secretary and such other duties as from time-to-time may be assigned by the President, Executive Committee, Board of Directors or Senior Management Team. The Secretary shall keep the records of the Association. The Chief Executive Officer shall act as Secretary.
- G. ~~(g)~~ THE TREASURER** – The Treasurer shall be the custodian of funds and securities in such depositories as the Board of Directors may designate and shall be relieved of responsibility therefore while in the custody of such depository. The First Vice President also serves as the Treasurer of the Association. The Treasurer shall direct the Chief Executive Officer to cause such disbursements to be made for the Association as may be authorized by the Board of Directors, Executive Committee ~~and~~ or the Senior Management Team and render to the Board of Directors monthly financial statements. Further, all accounts shall be reviewed annually by a Certified Public Accountant and an audited statement from the Certified Public Accountant shall be presented to the Board of Directors at the Mid-Year Meeting. This annual financial report shall be provided to each Member Board upon request.

SECTION 3 4. RESIGNATION OF OFFICERS: Any officer may resign by delivering a resignation to the President or Secretary of the Association. The resignation shall take effect upon approval of the Executive Committee.

SECTION 4 5. ATTENDANCE AT EXECUTIVE COMMITTEE MEETINGS: Thirty days prior to installation, the President-Elect shall establish the number of Executive Committee Meetings from January through December. Any Officer who is absent more than one-third of the scheduled meetings shall be deemed resigned. If an Executive Committee meeting is canceled, this shall not be counted as an absence.

SECTION 5 6. VACANCIES IN OFFICER POSITIONS: ~~Applicable vacancies in offices or positions established by these bylaws due to resignation or removal, whether under Sections 3 or 4, above, or otherwise, shall be filled as provided herein, unless another procedure is provided by these bylaws for such office or position.~~

- A. VACANCY IN THE OFFICE OF PRESIDENT** – In the case of a vacancy in the office of the President, the President-Elect shall automatically become President.
- B. VACANCY IN THE OFFICES OF PRESIDENT-ELECT OR FIRST VICE PRESIDENT/TREASURER** – In the case of a vacancy in the office of President-Elect or First Vice President /Treasurer, said vacancy shall be filled by the Executive Committee and approved by the Board of Directors for the unexpired term or until the next annual election of officers.
- C. VACANCY IN THE OFFICE OF ZONE VICE PRESIDENT** – In the case of a vacancy in the office of a Zone Vice President, the members of the Association Board of Directors from within that Zone shall meet within 60 days from the date the vacancy exists to elect a Zone Vice President. The outgoing Zone Vice President shall chair the meeting or in the event that member is not available, the Directors in attendance shall elect a chairman from its members present to preside. The elected replacement shall serve the balance of the unexpired term. The Secretary of the Association shall designate the time and place, give a twenty (20) day notice and keep the minutes of such meetings.

ARTICLE V – BOARD OF DIRECTORS

SECTION 1. GENERAL PROVISIONS: The property and affairs of the Association shall be managed by its governing body which shall be known as the Board of Directors. The Board of Directors shall have and is vested with all the unlimited powers and authorities, except as may be expressly limited by law, the Articles of Incorporation or by these Bylaws, to supervise, control, direct and manage the property, affairs and activities of the Association, determine the policies of the Association, to do or cause to be done, any and all lawful things for and on behalf of the Association, to exercise or cause to be exercised, any or all of its powers, privileges or franchises, and to seek the effectuation of its objects and purposes; provided, however, that (1) the Board of Directors shall not authorize or commit the Association to engage in any activity not permitted to be transacted by the Articles of Incorporation or by a non-stock corporation organized under the laws of the State of Kansas, or in violation of any other rules applicable to its status, whether not-for-profit or otherwise; (2) none of the powers of the corporation shall be exercised to carry on activities, other than as an insubstantial part of its activities, which are not in themselves in furtherance of the purposes of the Association. No part of the net earnings or other assets of the Association shall inure to the benefit of any Director, officer, Member or other private person having, directly or indirectly, a personal and private interest in the activities of the corporation.

SECTION 2. QUALIFICATION AND SELECTION OF DIRECTORS: The Board of Directors shall consist of REALTOR® Members of the Kansas Association of REALTORS®, who shall be the President, President-Elect, First Vice President/Treasurer, Zone Vice Presidents, Presidential Appointees to the Executive Committee, all active past Association Presidents, all National Association Directors or officers, the Presidents of all State Association Chapters of the Institutes, Societies and Councils, and Board Directors, as set out in the following:

- A. ~~(a)~~ MEMBER BOARD DIRECTORS** – Each ~~Local Member~~ Board shall elect **one or more Directors to the Association Board of Directors** in a manner determined by each ~~Local Member~~ Board, ~~one or more Directors to the Association Board~~. The number of Directors to be elected by each **Member** Board shall be determined by a formula of one Director for each 200 **Member** Board members or any part thereof, with one vote for each director. **Member** Board members, including ~~local board~~ **Member Board** presidents, must hold membership in the Kansas Association of REALTORS® in order to be included in the formula. The eligibility for such Directors shall be annually based upon the membership of each **Member** Board as of November 30th of the previous year. Each **Member** Board shall communicate the names of such Directors to the Association ~~Headquarters~~ prior to August 1st each year and such names of Directors shall be recognized as elected during the annual meeting of the Board of Directors. Each Director shall serve a two (2) year term. ~~Board~~ Directors from **Member** Boards in even numbered Zones shall be elected commencing to serve in even numbered years. **Directors from Member Board in odd numbered Zones shall be elected commencing to serve in odd numbered years.** Each ~~Local Member~~ Board President, by virtue of that office, and provided they hold membership in the Kansas Association of REALTORS®, shall serve as a Member of the Board of Directors during his **or her** term as ~~Local Member~~ Board President.

- B. MEMBER COUNCIL DIRECTORS** – Each Member Council shall elect one Director to the Association Board of Directors in a manner determined by each Member Council. Each Member Council shall communicate the name of such Director to the Association prior to August 1st each year and such name of Director shall be recognized as elected during the annual meeting of the Board of Directors. Directors from Member Councils in even numbered Zones shall be elected commencing to serve in even numbered years. Directors from Member Councils in odd numbered Zones shall be elected commencing to serve in odd numbered years.

INTENT AND RATIONALE OF PROPOSED CHANGES:

- The intent of the proposed changes in Article V, Section 2(B) is to allow each Member Council recognized by the state association and affiliated with either the state association or a local board to elect one Director to the Board of Directors. This language would provide each Member Council with one representative on the Board of Directors. In contrast, each Member Board receives at least two Directors on the Board of Directors under these bylaws.
- The rationale for the proposed changes is to ensure that every REALTOR® who belongs to the association has a voice in association governance.

- C. ~~(b)~~ ALTERNATE DIRECTORS** – A Local Member Board or Member Council may appoint an Alternate Director for any Director which it has elected if such Director will be unable to attend any meeting of the Board of Directors Director's Meetings, provided the Local Member Board or Member Council has mailed communicated such alternate Director's name in writing to the Chief Executive Officer, via certified mail, electronic mail or by facsimile equipment at least three working business days prior to the date of the meeting. Alternate Directors shall have full voting privileges. All Alternates entitled to vote at any meeting shall be certified as members in good standing by the Chief Executive Officer. The voting Alternates' names shall be acknowledged by the Board of Directors at the beginning of the meeting and the Alternates' names shall be included in the roll call.

- D. ~~(c)~~ COMMENCEMENT OF TERMS** – All Members of the Board of Directors shall commence serving their respective terms of office on January 1st following the installation of Officers and Directors at the annual convention.

~~(d) Zone Vice Presidents shall be nominated as prescribed in Article IV, Section 1.~~

- E. ~~(e)~~ NAR DIRECTORS** – NATIONAL ASSOCIATION OF REALTORS® (NAR) Directors shall be elected by being first elected as a NAR director-elect by a plurality vote of the Board of Directors at the Board of Directors meeting held during the Annual Convention. The elected NAR Director shall first assume a one-year position of NAR Director-elect commencing on the 1st day of January following his or her initial election and shall then automatically assume and serve a two-year NAR Director term commencing on January 1 of the year following his or her election to the NAR Director-elect position. The NAR Director-elect is a non-voting member of the Board of Directors of the Kansas Association.

SECTION 3. RESIGNATION OF DIRECTORS: Any Director may resign by giving written notice thereof, to the Secretary of the Association. Such resignation shall take effect upon approval of the Board of Directors.

SECTION 4. REMOVAL OF OFFICERS OR DIRECTORS: In the event that an elected 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. FILING A PETITION** – A petition requiring the removal of an officer or Director and signed by not less than one-third of the Board of Directors or two-thirds of the Executive Committee shall be filed with the President, or if the President is the subject of the petition, with the next ranking officer, and shall specifically set forth the reasons the individual is deemed disqualified from further service.

- B. SPECIAL MEETING OF THE BOARD OF DIRECTORS** – A special meeting of the Board of Directors shall be held within not less than twenty (20) days, nor more than forty-five (45) days after receipt of the petition to consider the charge against the officer or Director and to render a decision on the petition. Provided, ~~however,~~ if the petition is received such that ~~an annual or regular~~ a **regularly-scheduled** meeting of the **Board of Directors** is already scheduled to occur ~~such that it is~~ within not less than twenty (20) days nor more than forty-five (45) days of receipt of the petition, ~~then in that event~~ the Board of Directors shall consider the charge against the officer or Director to render a decision on such petition **during the regularly-scheduled meeting of the Board of Directors.**
- C. NOTICE AND CONDUCT OF THE MEETING** – The purpose of the meeting shall be noticed to all voting Members at least 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 **Board of Directors**. Provided a quorum is present, a three-fourths vote of Directors present and voting shall be required for removal from office.

SECTION 5. ~~(d)~~ ATTENDANCE POLICY FOR DIRECTORS: Any Director absent **for** more than two regularly scheduled ~~Director's Meeting~~ **meetings of the Board of Directors** during a calendar year shall be deemed as resigned from office, with the exception of the Past **Association** Presidents. Upon **the** publishing of the Minutes of the ~~Director's~~ **Board of Directors** meeting and written notification from the ~~KAR Office~~ **Association, the Local Member Board or Member Council** of the resigned Director shall have 45 days to elect a replacement for the resigned Director and report the name of the new Director to the KAR Chief Executive Officer. If the vacancy is not filled within the 45-day timeline, the position is eliminated for the remainder of its appointment and shall not be a consideration in meeting any required quorum. If an alternate director is present as provided for in Section 2~~(b)~~ of this article, the elected director shall not be considered absent.

SECTION 5 6. VACANCIES ON THE BOARD OF DIRECTORS: ~~With the exception of the Directors elected by Member Boards and Member Councils,~~ vacancies on the Board of Directors resulting from any cause shall be filled by a majority vote of the Executive Committee, subject to approval by the Board of Directors. ~~, with the exception of the Directors elected by Local Boards, provided; however, that any~~ **Any** person selected to fill such vacancy shall be selected from the same source, as described in the subsections of Section 2 of this Article, as the Director whose position is to be filled.

SECTION 6 7. LOCATION OF MEETINGS: All meetings of the Board of Directors shall be held at such time and place or by such other means as designated by the Board of Directors by resolution or consent of the Board of Directors.

SECTION 7 8. ANNUAL MEETING: The annual meeting of the **Board of Directors** shall be held in conjunction with the annual convention.

SECTION 8 9. REGULAR MEETINGS ~~—NOTICE:~~ The Board of Directors shall hold two regular meetings, which shall be known as the Legislative Business Meeting and the Mid-Year Business Meeting, in addition to the annual meeting, with or without notice at such time or times and place or places, as established by the Board of Directors. Notice is not required for the date of such meetings that are set according to an annual schedule of meetings or these bylaws.

SECTION 9 10. SPECIAL MEETINGS ~~—NOTICE:~~ Special meetings of the Board of Directors may be called at any time by the Secretary upon the **written** request of the President, ~~or President-Elect,~~ or ~~upon the written request of the~~ Executive Committee. Written or printed notice of each special meeting of the Board of Directors, stating the place, day and hour of the meeting and the purpose thereof, shall be mailed by the Secretary of the Association to each Director at least ten days before the day on which the meeting is to be held, or shall be sent to him or her by electronic mail or FAX, to be delivered at least ten days before the day on which the meeting is to be held. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage thereon, addressed to the Director at his or her residence or usual place of business. If such notice be given by electronic mail or **FAX facsimile**, such notice shall be deemed to be delivered when the same is delivered by the Secretary of the Association.

SECTION ~~10~~ 11. WAIVER OF NOTICE: Whenever any notice is required to be given to any Director under the provisions of these Bylaws, the Articles of Incorporation, or any other law, a waiver thereof in writing signed by the Director shall be deemed equivalent to the giving of such notice. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where he attends for the express purpose and so states at the opening of the meeting of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any action required or permitted to be taken at any meeting of the Board of Directors or Executive Committee may be taken without a meeting if all members of the Board of Directors or Executive Committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of the Board of Directors or Executive Committee thereof. Members of the Board of Directors, the Executive Committee, Senior Management Team or any committee designated by the Board of Directors or Executive Committee, may participate in a meeting of such Board or Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting.

SECTION ~~11~~ 12. QUORUM: A quorum at any meeting of the Board of Directors shall consist of one-third of the total number of Directors. Each Director shall be entitled to one vote on all questions coming before the meeting. The vote of the majority of the Directors at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION ~~12~~ 13. COMPENSATION: Directors shall not receive any compensation or salary whatsoever for their services as such, but by resolution of the Directors, travel expenses, if any, may be allowed for attendance at regular or special meetings of the Board of Directors, provided, that nothing contained shall be construed to preclude any Director serving the Association in any other capacity and receiving compensation therefore.

SECTION ~~13~~ 14. COMMITTEES: The President shall have the authority to appoint, with the approval of the Board of Directors, such committees, task forces, forums and other groups in addition to the standing committees authorized by Article IX of these Bylaws, as the President and the Board of Directors shall deem necessary for the operation of this Association.

SECTION 14 15. POWERS AND DUTIES: In addition to the other powers and duties enumerated above, the Directors of the Association shall annually approve the proposed budget as prepared by the Budget and Finance Committee and approved by the Executive Committee.

ARTICLE VI – EXECUTIVE COMMITTEE

SECTION 1. STANDING MEMBERSHIP OF THE EXECUTIVE COMMITTEE: There shall be an Executive Committee, which shall consist of the President, the President-Elect, First Vice-President/Treasurer, the Zone Vice Presidents and the immediate Past President of the Association. Any member serving as a NAR Officer shall serve as an Ex-Officio member of the KAR Executive Committee without the right to vote. The Chair of the Association Executives Committee shall serve as an Ex-Officio member of the KAR Executive Committee without the right to vote during his/~~her~~ his or her term as Chair.

SECTION 2. ANNUAL APPOINTEES BY THE PRESIDENT-ELECT: On an annual basis, the President-Elect shall have the privilege of submitting up to three recommendations for appointees, one of whom shall be the Chairman of the Board of Real Estate Business Resources, Inc. (REBR) or a REBR designee, for approval by the Executive Committee during the annual convention meeting. Appointees must hold current REALTOR® membership in Kansas and actively participate in the real estate business with a minimum of three years in the business. Appointees so appointed shall serve a one-year term with full voting rights and are eligible for reappointment.

SECTION 3. POWERS AND DUTIES OF THE EXECUTIVE COMMITTEE: This Committee shall employ the Chief Executive Officer. The Committee shall exercise all of the powers and the duties of the Board of Directors in the interim between meetings of the Board of Directors, including management of all the business and affairs of the Corporation. The Board of Directors may, at any meeting of the board of Directors, by a majority vote, adopt a

resolution granting specific limitations to the general powers and duties of the Executive Committee, which shall remain in effect until revoked or modified by the Board of Directors. The Executive Committee shall meet upon call of the President or the Board of Directors. A majority of the members of the Executive Committee shall constitute a quorum. A meeting of the Executive Committee may be held by telephone conference call.

ARTICLE VII – SENIOR MANAGEMENT TEAM

SECTION 1. MEMBERSHIP OF THE SENIOR MANAGEMENT TEAM: There shall be a Senior Management Team which shall consist of the President, President-Elect, First Vice President/Treasurer, Immediate Past President and the Chief Executive Officer.

SECTION 2. POWERS AND DUTIES OF THE SENIOR MANAGEMENT TEAM: It shall be the responsibility of the Senior Management Team to monitor the Business Plan and implementation of the policies and procedures as established by the Executive Committee and Board of Directors. They may serve in an advisory role in the interim between Executive Committee meetings and may make recommendations on issues to the Board of Directors and Executive Committee, but may not set policy. They may conduct a Member/Director Forum prior to ~~committee meetings at the Legislative, Mid-Year and Annual Convention~~ **meetings of the Board of Directors** to inform members about the issues the committees will be dealing with during their meetings and actions the Board of Directors might be expected to vote on.

ARTICLE VIII – MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING: The annual meeting of the Members shall be held each year in conjunction with the annual convention for the transaction of such business as may come before the meeting. The Executive Committee shall, by majority vote, designate the place and dates of the annual convention. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

SECTION 2. VOTING RIGHTS: Voting Members of this Association shall be the Board of Directors. Each such Member shall be entitled to one (1) vote on all matters properly coming before the annual or any special meeting. Persons holding or representing the holders of all other categories of Membership may attend the annual meeting or any special meeting but shall have no vote.

SECTION 3. SPECIAL MEETINGS: Special meetings for any purpose or purposes, unless otherwise prescribed by statute, may be called by majority vote of the Board of Directors and shall be called by the President at the request of five percent (5%) of the members of the Association.

SECTION 4. PLACE OF MEETING: The Executive Committee may designate any place for the annual meeting or for any special meeting called by the Board of Directors.

SECTION 5. NOTICE OF MEETING: Written notice stating the place, day and hour of the meeting, and in case of special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than thirty (30) days, prior to the meeting, either personally or by mail, electronic mail or facsimile to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited into the United States mail, addressed to the REALTOR® Member at his or her address as it appears in the records of the Association.

SECTION 6. PRESIDING OFFICER - ORDER OF BUSINESS: The President shall preside at meetings, or in the absence of the President the President-Elect, or if neither the President nor President-Elect is present, by a chairman to be chosen by a majority of the members entitled to vote at the meeting who are present. The Secretary of the Association shall act as Secretary of all meetings, but, if the Secretary is not present, the Members entitled to vote at the meetings who are present shall choose any person present to act as Secretary of the meeting.

ARTICLE IX – COMMITTEES

SECTION 1. CREATION AND APPOINTMENT OF STANDING COMMITTEES: The Board of Directors shall, from time to time, create standing committees for such purposes and of such size and composition, as it may determine. The President-Elect shall appoint the Chairpersons for all standing committees not specifically designated by the bylaws for the ensuing year, thirty days prior to the annual meeting, subject to the approval of the Board of Directors. In the event the President-Elect fails to appoint such Chairpersons, the matter shall be placed on the agenda for the next Executive Committee Meeting and such vacancies that exist shall be appointed by the Executive Committee. The President-Elect, subject to the approval of the Executive Committee, shall appoint REALTOR® Members to fill committee member vacancies on such committees for the ensuing year, thirty days prior to the annual meeting. In the event the President-Elect fails to appoint REALTOR® members, or if the Executive Committee does not approve such committee appointments, the matter shall be placed on the agenda for the next Board of Directors Meeting for ratification by the Directors of the President-Elect's appointments or for such other appointees as approved by the Board of Directors. **The President shall be an ex officio member of all committees.**

SECTION 2. RESIGNATION OF COMMITTEE MEMBERS AND VACANCIES: Any committee member may resign at any time by filing his or her resignation with the Chief Executive Officer. Vacancies on any committee covered by such resignations shall be appointed by the President, subject to the approval of the Executive Committee. If the Executive Committee does not approve such appointments, the matter shall be resolved in the same manner as vacancies for the ensuing year.

SECTION 3. STANDING COMMITTEES AND TERMS OF COMMITTEE MEMBERS: Members appointed to the committees shall serve such terms ~~and fulfill such duties~~ as may be determined, from time to time, by the Executive Committee or Board of Directors, and as set forth in the Statement of Organization and Procedure. The standing committees are: **(1) Association Executives; (2) Budget & Finance; (3) Governmental Affairs; and (4) Professional Standards.**

~~**Section 2.** The President, with the approval of the Board of Directors, may appoint such other committees as deemed advisable. The President shall be an ex officio member of all committees.~~

SECTION 3 4. DUTIES AND ACTIONS OF COMMITTEES: Committees shall have such duties as their titles indicate and as are indicated in the Statement of Organization and Procedure, and as the Board of Directors may assign. All actions of the committees shall be subject to the approval of the Board of Directors. Any committee member absent more than one regularly scheduled meeting during an appointment year shall be deemed resigned from that committee.

SECTION 4 5. PAST PRESIDENTS' ADVISORY COMMITTEE: The Past Presidents of the Association shall constitute an Advisory Committee which shall be available for consultation by the President or by other officers and by the Board of Directors.

ARTICLE X – INDEMNIFICATION OF OFFICERS AND DIRECTORS

SECTION 1. PURCHASE OF INSURANCE: The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or rising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Bylaw or under the provisions of any law of the State of Kansas. Providing such insurance shall not be an indication of any obligation or agreement to insure or indemnify any such individual or class of individuals and the extent of such insured liability shall be limited to insurable liabilities as established by the policy of insurance procured or of the Board of Directors, and providing such insurance is at the discretion of the Association.

SECTION 2. NO PERSONAL LIABILITY FOR CORPORATION: A member of the Board of Directors of this Corporation shall have no personal liability to the Corporation or its members for monetary damages for breach of fiduciary duty as a Director, except to the extent that K.S.A. 2002 Supp. 17-6002 (b) (8), or any successor provision of the Kansas General Corporation Code, as amended from time-to-time, expressly provides that the limitation of a Director may not be eliminated or limited.

ARTICLE XI – GENERAL PROVISIONS

SECTION 1. FISCAL YEAR: The fiscal year of the Association shall begin on ~~the first day of~~ January ~~first~~ and end on the ~~thirty-first~~ **last day** of December of each year.

SECTION 2. BANKING AUTHORITY: The Executive Committee shall, from time-to-time, determine the rules and regulations governing the banking authority, safe deposit boxes and escrow custody safekeeping, and agency deposits or accounts of the Association.

SECTION 3. VOTE BY BALLOT. At any meeting of the Board of Directors, upon motion duly made and carried by a majority of the directors present, the voting upon any matter or question shall be by written ballot.

SECTION 4. LOANS TO OFFICERS AND DIRECTORS: The Association shall not loan money to any officer, Director or employee.

SECTION 5. ANNUAL CONVENTION: The Association shall hold annually a convention which shall be open to all Members upon payment of a registration fee to be determined by the Convention Task Force, which itself shall be appointed annually as directed by the Board of Directors.

SECTION 6. ZONES. The state shall be divided into Zones as established by these bylaws, the Executive Committee and the Board of Directors from time-to-time.

ARTICLE XII – CODE OF ETHICS

SECTION 1. ADOPTION OF THE CODE OF ETHICS: The Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® is adopted as the Code of Ethics of the Association. The Code of Ethics of the Association shall, in the future, be deemed to be amended and changed whenever said Code of Ethics is amended or changed by the National Association.

ARTICLE XIII – PROFESSIONAL STANDARDS

SECTION 1. REFERRAL OF MATTERS TO STATE ASSOCIATION: A ~~local~~ **Member** Board, prior to referring an ethics complaint or arbitration request for review to the State Association, should exhaust all efforts to impanel an impartial tribunal to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable members of the Board on an ad hoc basis to serve on either a Hearing Panel or on behalf of the Board of Directors. If, because of notoriety, etc., the **Member** Board cannot impanel an impartial tribunal, the **Member** Board may refer the matter to the State Association, and the State Association may delegate to another **Member** Board or a regional enforcement facility, the authority to hear the case on behalf of the State Association. No **Member** Board or regional enforcement facility, however, may be required to accept this delegation of authority. If no other entity is amenable to conducting the review, the State Association shall be responsible for conducting the hearing.

SECTION 2. SUBMISSION OF MATTERS DIRECTLY TO STATE ASSOCIATION: Allegations of ethical violations and contractual disputes (and specific non contractual disputes as defined in Standard of Practice 17-4) between REALTORS® and between REALTORS® and their customers or clients may be submitted to an ethics or arbitration panel at the State Association level under the following circumstances:

- A. ALLEGATIONS AGAINST NON-MEMBER BOARD MEMBERS – (a)** Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® who is directly a member of the State Association and not a member of any ~~local~~ **Member** Board.

- B. SITUATIONS WHERE MEMBER BOARD CANNOT PROVIDE AN IMPARTIAL HEARING – ~~(b)~~** Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® in the instance in which the ~~local~~ **Member** Board, because of size or other valid reason, determines that it cannot provide a due process hearing of the matter and petitions the State Association to conduct a hearing.
- C. CONTRACTUAL DISPUTES BETWEEN REALTORS® FROM DIFFERENT MEMBER BOARDS – ~~(c)~~** Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are not members of the same **Member** Board where the matter has been referred to the State Association by both ~~local~~ **Member** Boards.
- D. CONTRACTUAL DISPUTES BETWEEN REALTORS® WHO DO NOT BELONG TO A MEMBER BOARD – ~~(d)~~** Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are directly members of the State Association and are not members of any **Member** Board.
- E. CONTRACTUAL DISPUTES BETWEEN A REALTOR® WHO DOES NOT BELONG TO A MEMBER BOARD AND A REALTOR® WHO BELONGS TO A MEMBER BOARD – ~~(e)~~** Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between a REALTOR® who does not hold membership in any **Member** Board, but is directly a member of the State Association, and a REALTOR® who is a member of a **Member** Board.
- F. CONTRACTUAL DISPUTES BETWEEN REALTORS® WHERE MEMBER BOARD CANNOT PROVIDE AN IMPARTIAL DISPUTE RESOLUTION PROCESS – ~~(f)~~** Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTOR® Members of the same **Member** Board where the Board with good and sufficient reason is unable to arbitrate the controversy. (Explanation: This provision is not designed to relieve a ~~local~~ **Member** Board of its primary responsibility to resolve differences arising between members of the same **Member** Board. The section recognizes that in some **Member** Boards with limited membership, usual arbitration procedures may be impossible.)
- G. CONTRACTUAL DISPUTES BETWEEN A REALTOR® AND A CUSTOMER OR CLIENT WHERE MEMBER BOARD CANNOT PROVIDE AN IMPARTIAL DISPUTE RESOLUTION PROCESS – ~~(g)~~** Contractual disputes between a customer or a client and a REALTOR® where the **Member** Board with good and sufficient reason is unable to arbitrate the dispute or the REALTOR® is a direct member of the State Association.

SECTION 2 3. ASSOCIATION GOVERNED BY THE CODE OF ETHICS AND ARBITRATION MANUAL: 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 Kansas Association of REALTORS®, as from time to time amended, which by this reference is made a part of these Bylaws.

SECTION 3 4. RIGHT TO CONDITION MEMBERSHIP ON COMPLETION OF PENDING PROCEEDING: If a REALTOR® Member ~~(as defined in Article II, Section 4, of these bylaws)~~ resigns from the Board 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. If a REALTOR® Member ~~(as defined in Article II, Section 4, of these bylaws)~~ 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 4 5. NEW MEMBER CODE OF ETHICS ORIENTATION: Applicants for REALTOR® and REALTOR-ASSOCIATE® 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 who have completed comparable orientation in another association, provided that membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within 90 days of the date of application will result in denial of the membership application.

SECTION 5.6. CONTINUING MEMBER CODE OF ETHICS TRAINING:

- A. REQUIREMENT TO COMPLETE TRAINING** – Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® and REALTOR-ASSOCIATE® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time.
- B. DOCUMENTATION OF COMPLETION** – 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 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. Members who have completed training as a requirement of membership in another association and 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.
- C. FAILURE TO SATISFY REQUIREMENT** – 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 (2001-2004) 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.

ARTICLE XIV – USE OF THE TERMS REALTOR® OR REALTORS®

SECTION 1. USE OF TERMS: Use of the terms REALTOR®, 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 State Association shall have control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, on the use of the terms within those areas of Kansas not within the jurisdiction of a Member Board of the National Association.

SECTION 2. USAGE RESTRICTED TO MEMBERS: Individual Members of the State Association shall have the privilege of using the terms REALTOR®, or REALTORS®, in connection with their business so long as they remain Members in good standing. No other class of members shall have this privilege.

SECTION 3. USAGE OF TERMS BY INDIVIDUALS WITHIN FIRMS: Any Individual Member of a firm, partnership, corporation or trust may use the terms REALTOR® or REALTORS® only if all of the principals of such firm, partnership, corporation or trust who are actively engaged in the real estate business within the state or a state contiguous thereto are Individual Members.

SECTION 4. USE PROHIBITED BY INSTITUTE AFFILIATE MEMBERS: An Institute Affiliate Member shall not use the terms REALTOR®, REALTORS® and shall not use the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XV – PUBLICATION AND OFFICIAL NOTICE

SECTION 1. OFFICIAL PUBLICATION OF THE ASSOCIATION: The *Kansas REALTOR® News* shall be the official publication of the Association, and this publication shall be deemed a proper medium for the official publication of any amendment or amendments to the Bylaws, or official notice of the Association, Board of Directors and Executive Committee calling meetings of the same, or making notification of any amendment or amendments by the Bylaws.

ARTICLE XVI – CONVEYANCES

SECTION 1. VALIDITY OF INSTRUMENTS: Any and all instruments of conveyance, deeds, assignments, mortgages, pledges, releases, trust indentures or other instruments of conveyance, transfer, mortgage or pledge shall be deemed to be valid and sufficient when the same are signed and executed in the name of the corporation by the President and when the same are attested by the Secretary of the Corporation under the corporate seal thereof, at the direction of the Executive Committee and confirmed by the Board of Directors.

ARTICLE XVII – PARLIAMENTARY AUTHORITY

SECTION 1. AUTHORITY FOR GOVERNANCE OF MEETINGS: The current edition of *Robert's Rules of Order Newly Revised*, shall be recognized as the authority governing all meetings and conferences when not in conflict with the Bylaws of the Association and any special rules of order that may be adopted by the Association.

ARTICLE XVIII – AMENDMENT OF BYLAWS

SECTION 1. PROCEDURE FOR AMENDING BYLAWS: These Bylaws may be amended at any meeting of the Board of Directors by the affirmative vote of two-thirds of the members present and voting, provided that a quorum is present, and provided further that written notice of the substance of any proposed amendment shall first have been sent to each Director at least one (1) month in advance of the meeting, except as provided in Article V, Section ~~10~~ 11.

SECTION 2. AMENDMENTS AFFECTING THE ADMISSION AND QUALIFICATION OF MEMBERS: Amendments to these Bylaws affecting the admission or qualifications of REALTOR® Members, and Institute Affiliate Members, the use of the terms REALTOR®, REALTORS®, or any alteration in the territorial jurisdiction of a Board shall be subject to the approval of the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS® in accordance with any applicable Charter requirements to which the Association has obligated itself.

ARTICLE XIX – DISCRIMINATORY ACTS OR PRACTICES

SECTION 1. PROHIBITION AGAINST DISCRIMINATORY ACTS: Any member of the Association may be reprimanded, placed on probation, suspended or expelled for any discriminatory acts or practices as defined and applicable under state or federal law with respect to employment or public accommodations, including without limitation those based upon race, sex, religion, national origin, age, **sexual orientation** or disability directed at an Association employee after a hearing in accordance with the procedures selected or utilized by the Association. The decision of the appropriate disciplinary action to be taken shall be made by an investigatory team comprised of the President, President-elect, ~~and/or~~ First Vice President and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with counsel for the Association. If the complaint involves the President, President-Elect or First 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.

ARTICLE XX – DISSOLUTION

SECTION 1. DISSOLUTION OF THE ASSOCIATION: Upon the dissolution or winding up of the affairs of the Association, the Board of Directors, after providing for payment of all obligations, shall distribute any remaining assets to the NATIONAL ASSOCIATION OF REALTORS®, or, within its discretion, to any other non-profit and tax exempt organization.

ARTICLE XXI – LEGAL ACTION FUND

SECTION 1. ALLOCATION OF FUNDS TO LEGAL ACTION FUND: Unless otherwise determined by the Board of Directors, each annual budget shall allocate one dollar (\$1.00) from each member's dues to the Legal Action Fund. The specific purpose of the Legal Action Fund is the prosecution or defense of lawsuits brought by or against the Association or its officers, or, when determined appropriate by the Board of Directors, against one or more members of the Association.

SECTION 2. EXPENDITURE OF FUNDS FROM LEGAL ACTION FUND: Money may be withdrawn from the Legal Action Fund only on recommendation of a majority vote of the Executive Committee concurred in by a majority vote of the Board of Directors for the specific purpose of this fund.

SECTION 3. INVESTMENT OF LEGAL ACTION FUNDS: The Legal Action Fund shall be retained in cash or invested in investments as recommended by the Budget and Finance Committee and concurred in by a majority vote of the Executive Committee.

SECTION 4. OTHER WITHDRAWALS OF MONEY FROM THE LEGAL ACTION FUND: Money may be withdrawn from the Legal Action Fund for purposes other than those specified above only upon recommendation of a three-fourths vote of the Executive Committee and a two-thirds vote of the Board of Directors.

Adopted January 13, 1973

Revised September 22, 1976; Revised September 28, 1977; Revised October 3, 1978; Revised October 4, 1979; Revised April 9, 1980; Revised May 6, 1980; Revised February 1, 1981; Revised October, 1981; Revised April, 1982; Revised May 22, 1984; Revised October 9, 1984; Revised June, 1986; Revised June, 1987; Revised June, 1988; Revised September, 1989; Revised September, 1991; Revised June 19, 1992; Revised September 2, 1992; Revised June 24, 1994; Revised September 28, 1994; Revised June 30, 1995; Revised September 10, 1996; Revised May 1, 1997; Revised September 9, 1997; Revised September 15, 1998; Revised September 14, 1999, Revised January 13, 2000, Revised January 9, 2001; Revised June 21, 2001; Revised January 15, 2004; Revised October 11, 2004; Revised June 9, 2005; Revised June 8, 2006; Revised January 15, 2009; Revised September 21, 2009; Revised June 11, 2010; Revised October 11, 2011; Revised January 15, 2015