

BYLAWS OF THE KANSAS ASSOCIATION OF REALTORS®, INCORPORATED

ARTICLE I – NAME AND 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 KAR. As used herein the term REALTOR® is a trademark owned by the National Association of REALTORS® chartered for use to KAR.

SECTION 2. PURPOSE OF THE ORGANIZATION: The purpose of KAR shall be to unite 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. KAR MEMBERSHIP CATEGORIES: The Members of KAR shall consist of eight categories: (1) Member Boards; (2) Member Councils; (3) Board Members; (4) Individual Members; (5) Institute Affiliate Members; (6) Affiliate Members; (7) Honorary Members; and (8) Ex-Officio 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 and membership in KAR 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 KAR and in the National Association of REALTORS®.

- A. APPLICATION AND APPROVAL OF MEMBER COUNCILS:** Any Member Council seeking recognition by KAR under these Bylaws must file an application for approval with KAR 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 KAR 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 KAR under these Bylaws shall be affiliated with either KAR or a Member Board. Any Member Council that seeks recognition under these Bylaws and requests to affiliate with KAR 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 KAR 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 KAR.

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

SECTION 5. INDIVIDUAL MEMBERS: An Individual REALTOR® Member shall be any individual engaged in the real estate business as a principal, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) whose place of business is located in an area outside the jurisdiction of any Member Board and who holds REALTOR® Membership in KAR. Individual REALTORS® or licensed individuals affiliated with an Individual REALTOR® Member may become REALTOR® Members of KAR. Secondary REALTOR® membership shall also be available to individuals who hold primary membership in a board or association in another state and who desire to obtain direct membership in KAR without holding membership in a local board or association in the state.

SECTION 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.

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

SECTION 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 9. EX-OFFICIO MEMBERS: In addition, those persons who are currently employed in an executive, administrative or management capacity by a Member Board or KAR 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.

SECTION 10. APPLICATIONS FOR MEMBERSHIP: An applicant for REALTOR® membership who is a sole proprietor, partner, corporate officer or branch office manager of a real estate firm shall supply evidence satisfactory to KAR 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 or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct and agrees to complete an online new member orientation course.

Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers or branch office managers, in order to qualify for REALTOR® membership, shall at the time of application, be associated either as an employee or as an independent contractor with a designated REALTOR® member of KAR or a designated REALTOR® member of another 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, has no record of official sanctions involving unprofessional conduct, shall complete an online new member orientation course.

An application for membership may not be rejected without providing the applicant with an opportunity to appear before the Executive Committee to make such statements as he or she deems relevant. If the Executive Committee determines that the application should be rejected, it shall record its reasons with the secretary. If the Executive Committee believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by KAR for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

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 KAR upon final approval of the application.

- A. 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 (or to mediate if required by KAR) pursuant to Article 17 of the Code of Ethics and the payment of association dues as established in these 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 these Bylaws.

- B. Any REALTOR® member of KAR may be disciplined by the Board of Directors for violations of these Bylaws, the Code of Ethics or other duties of membership after a hearing as described in the Code of Ethics and Arbitration Manual of KAR, 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.

- C. 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 or her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in KAR, 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.

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 KAR 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 KAR 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 KAR 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®, any broker licensed with the REALTOR® or 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 KAR on a form approved by KAR 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 KAR who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in KAR. 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. INDIVIDUAL REALTOR® MEMBERS: Upon payment to KAR 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 KAR. 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 KAR.

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 KAR 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 KAR 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.
- D.** For newly-licensed real estate salespersons or brokers that are affiliating with a REALTOR® supervising broker for the first time since becoming licensed by the appropriate state regulatory agency, the proration of the dues on a monthly basis that must be paid to KAR shall be calculated using the date of the issuance of the license by the appropriate state regulatory agency.

SECTION 8. NEW MEMBER FEE:

- A. FEE** – A New Member 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 New Member Fee shall be submitted along with the dues. A Member Board delinquent in submitting new Member dues or a New Member Fee 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. 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 Fee.
- C. 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 and President-Elect, the officers of KAR shall be elected by the voting Directors at the first regularly-held meeting of the Board of Directors each year. The officers to be elected shall be the First Vice President/Treasurer and a Zone Vice President from each of the zones in the state. No election of the President and President-Elect shall take place as the terms of office of the President and President-Elect ends on December 31 of each year and the President-Elect shall succeed to the office of President automatically and the First Vice President/Treasurer shall succeed to the office of President-Elect automatically and both officers shall assume office on January 1 following installation at the second regularly-held meeting of the Board of Directors each year.

- 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. QUALIFICATIONS AND REQUIREMENTS OF OFFICERS**– The Board of Directors shall have the authority to adopt qualifications and requirements that must be satisfied by any member seeking election as an officer of KAR under these Bylaws.
- D. CERTIFICATION OF CANDIDATES BY CREDENTIALS COMMITTEE** – All members who are seeking to be certified as candidates for the position of First Vice President/Treasurer or Zone Vice President shall file an application for candidacy with the Credentials Committee at least 60 days prior to the second regularly-held meeting of the Board of Directors of the year which precedes the year in which the election will take place. The Credentials Committee shall evaluate each completed application for candidacy received by the deadline and determine whether each candidate meets the qualifications and requirements for the particular office adopted by the Board of Directors. The Credentials Committee shall provide a written notice of determination of eligibility or ineligibility to each member that submitted an application for candidacy prior to the deadline and, in the case of a determination of ineligibility, shall provide the reasoning for the determination of ineligibility in the written notice.
- E. NOMINATIONS OF CERTIFIED CANDIDATES** – Upon the Credentials Committee’s determination that a candidate meets the qualifications and requirements for the particular office adopted by the Board of Directors, the Credentials Committee shall submit that individual to the Chief Executive Officer as a certified candidate. The Chief Executive Officer shall announce the candidate for the specified office at the Board of Directors meeting at which the election for the office will be held.
- F. PETITIONS FOR NOMINATION FOR CANDIDATES THAT ARE NOT CERTIFIED** – If a potential candidate makes an application for candidacy by the deadline specified above and is not certified as a candidate by the Credentials Committee, the potential candidate may submit a petition for nomination to a specified office to the Chief Executive Officer within 30 days of receiving the notice of ineligibility for candidacy. The petition for nomination to a specified office must contain the completed application for candidacy and the notice of ineligibility for candidacy and must be signed by at least 25 members of the Board of Directors. If the Chief Executive Officer receives a properly completed petition for nomination within the 30 days following receipt of the notice of ineligibility for candidacy, the Chief Executive Officer shall announce the candidate as a petition candidate for the specified office and include the petition in the materials for the Board of Directors meeting at which the election for the office will be held.
- G. PROCEDURES FOR VOTING** – All members that are either certified as a candidate or have properly completed a petition for nomination to a specified office shall be announced as candidates at the first regularly-held meeting of the Board of Directors each year. All Directors shall be allowed to vote for the position of First Vice President/Treasurer. Only Directors within a particular Zone shall vote in an election for a Zone Vice President. Any election in which there is more than one candidate for the office shall be conducted by secret ballot. The candidate receiving the majority of the votes cast for a particular office shall be declared the winner. If there are more than two candidates on the ballot and no candidate receives a majority vote, the two candidates receiving the greatest number of votes cast shall remain on the ballot and a run-off election shall be held between those two candidates. The candidate receiving the majority of votes cast in the run-off election shall be declared the winner.

- H. ELECTION OF ZONE VICE PRESIDENTS** – All members that are either certified as a candidate for Zone Vice President or have properly completed a petition for nomination to the office of Zone Vice President shall be announced as candidates at the respective zone caucus prior to the Board of Directors meeting during which the election will take place. No Member Board or Member Council shall have members serve in the office of Zone Vice President more than two consecutive terms, unless there are no certified candidates or candidates nominated by petition from any other eligible Member Board or Member Council in that respective zone. During the respective zone caucus, the Directors from the zone shall conduct an election for the Zone Vice President under the voting procedures specified above. Once a winner is selected, the winner shall be announced to the Board of Directors during the Board of Directors meeting at which the election will take place. Following the announcement, the Board of Directors shall vote by acclamation to confirm the successful candidate as the winner of the Zone Vice President election.

SECTION 2. ORGANIZATION OF ZONES:

- A. ORGANIZATION OF ZONES** – The Board of Directors shall divide the membership of KAR into Zones and shall determine the geographic boundaries and numbered labels for each respective Zone.
- B. MEMBER BOARDS ACCOUNTING FOR 25% OF KAR MEMBERSHIP** – Any Member Board that has REALTOR® membership which accounts for twenty-five percent (25%) of the total REALTOR® membership of KAR as of June 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 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 KAR for two consecutive years, as determined by counts on June 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. 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 KAR, based on counts taken as of June 30th of the previous year, the KAR Chief Executive Officer shall notify the 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** –Member Boards or Member Councils that do not account for twenty-five percent (25%) of the total REALTOR® membership of KAR shall be assigned to a Zone based on geography. Member Boards or Member Councils who wish to change the Zone to which the 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 KAR, the Zone Vice President of the 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.

SECTION 3. DUTIES OF THE OFFICERS:

- 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 KAR 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. 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. THE FIRST VICE PRESIDENT** – The First Vice President shall serve as the Vice Chairman of the Budget & Finance Committee and as Treasurer of KAR. The First Vice President shall attend each of the Board of Director meetings for Real Estate Business Resources, Inc.
- 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 KAR and shall also serve as Secretary. The Chief Executive Officer shall be a paid employee of KAR. 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 KAR. 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 KAR. An annual review of the Chief Executive Officer shall be made by the Senior Management Team with recommendations made to the Executive Committee.
- E. THE ZONE VICE PRESIDENTS** – 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 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 KAR Directors from within their Zone and may call a meeting of their Association Directors from within their Zone prior to 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. 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 KAR. The Chief Executive Officer shall act as Secretary.
- 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 KAR. The Treasurer shall direct the Chief Executive Officer to cause such disbursements to be made for KAR as may be authorized by the Board of Directors, Executive Committee 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 second regularly-held meeting of the Board of Directors each year. This annual financial report shall be provided to each Member Board or Council upon request.

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

SECTION 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 6. VACANCIES IN OFFICER POSITIONS:

- 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** – In the case of a vacancy in the office of President-Elect, the First Vice President/Treasurer shall automatically become President-Elect.
- C. VACANCY IN THE OFFICE OF FIRST VICE PRESIDENT/TREASURER** – In the case of a vacancy in the office of 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.
- D. 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 KAR 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 KAR 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 KAR 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 KAR, determine the policies of KAR, to do or cause to be done, any and all lawful things for and on behalf of KAR, 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 KAR 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 KAR. No part of the net earnings or other assets of KAR 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. SELECTION OF DIRECTORS: The Board of Directors shall consist of REALTOR® Members of KAR, who shall be the President, President-Elect, First Vice President/Treasurer, Zone Vice Presidents, Presidential Appointees to the Executive Committee, all active past KAR Presidents, all National Association Directors or officers, the Presidents of Member Boards, and Board Directors, as set out in the following:

- A. CERTIFICATION OF DIRECTORS BY CREDENTIALS COMMITTEE** – All members who are seeking to be certified as candidates for the position of Member Board Elected Director and Member Council Elected Director shall file an application for candidacy with the Credentials Committee at least 60 days prior to the second regularly-held meeting of the Board of Directors of the year which precedes the year in which the election will take place. The Credentials Committee shall evaluate each completed application for candidacy

received by the deadline and determine whether each candidate meets the qualifications and requirements for the position of elected director adopted by the Board of Directors. The Credentials Committee shall provide a written notice of determination of eligibility or ineligibility to each member that submitted an application for candidacy prior to the deadline and, in the case of a determination of ineligibility, shall provide the reasoning for the determination of ineligibility in the written notice.

- B. NOMINATIONS OF CERTIFIED DIRECTORS** – Upon the Credentials Committee’s determination that a candidate meets the qualifications and requirements for the position of Elected Director adopted by the Board of Directors, the Credentials Committee shall submit that individual to the Chief Executive Officer as a certified candidate. The Chief Executive Officer shall announce all candidates for the position of Elected Director at the Board of Directors meeting at which the election for the office will be held.
- C. PETITIONS FOR NOMINATION FOR CANDIDATES THAT ARE NOT CERTIFIED** – If a potential candidate makes an application for candidacy by the deadline specified above and is not certified as a candidate by the Credentials Committee, the potential candidate may submit a petition for nomination to the position of Elected Director to the Chief Executive Officer within 30 days of receiving the notice of ineligibility for candidacy. The petition for nomination as an Elected Director must contain the completed application for candidacy and the notice of ineligibility for candidacy and must be signed by at least 25 members of the Board of Directors. If the Chief Executive Officer receives a properly completed petition for nomination within the 30 days following receipt of the notice of ineligibility for candidacy, the Chief Executive Officer shall announce the candidate as a petition candidate for the position of Elected Director and include the petition in the materials for the Board of Directors meeting at which the election for Directors will be held.
- D. MEMBER BOARD ELECTED DIRECTORS** – The number of Directors to be allocated to 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 Member Board presidents, must hold membership in KAR 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 June 30th of the current year. Each Director shall serve a two (2) year term. Directors from Member Boards in even numbered Zones shall be elected commencing to serve in even numbered years. Directors from Member Boards in odd numbered Zones shall be elected commencing to serve in odd numbered years. Each Member Board President, by virtue of that office, and provided they hold membership in KAR, shall serve as a Member of the Board of Directors during his or her term as Member Board President.
- E. MEMBER COUNCIL ELECTED DIRECTORS** – Each Member Council shall be entitled to one Director to the KAR Board of Directors. Each Director shall serve a two (2) year term. 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.
- F. 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.
- G. NAR DIRECTOR-ELECT** – NATIONAL ASSOCIATION OF REALTORS® (NAR) Directors shall assume the position by first being elected as a NAR director-elect by a vote of the Board of Directors at the second regularly-held meeting of the Board of Directors each year. The NAR Director-elect shall first assume a one-year position commencing on the 1st day following the NAR Annual Conference that follows his or her initial election and shall then automatically assume and serve a two-year NAR Director term commencing on the 1st day following the NAR Annual Conference that concludes their term as NAR Director-elect. The NAR Director-elect is a non-voting member of the Board of Directors. The Board of Directors shall have the

authority to adopt requirements and qualifications that must be satisfied by any member seeking to serve as an NAR Director-Elect under these Bylaws.

- H. CERTIFICATION OF NAR DIRECTOR-ELECT BY CREDENTIALS COMMITTEE** – All members who are seeking to be certified as candidates for the position of NAR Director-Elect shall file an application for candidacy with the Credentials Committee no later than August 1 prior to the second regularly-held meeting of the Board of Directors. The Credentials Committee shall evaluate each completed application for candidacy received by the deadline and determine whether each candidate meets the qualifications and requirements for the position of NAR Director-elect adopted by the Board of Directors. The Credentials Committee shall provide a written notice of determination of eligibility or ineligibility to each member that submitted an application for candidacy prior to the deadline and, in the case of a determination of ineligibility, shall provide the reasoning for the determination of ineligibility in the written notice.
- I. NOMINATIONS OF CERTIFIED NAR DIRECTOR-ELECTS** – Upon the Credentials Committee’s determination that a candidate meets the qualifications and requirements for the position of NAR Director-Elect adopted by the Board of Directors, the Credentials Committee shall submit that individual to the Chief Executive Officer as a certified candidate. The Chief Executive Officer shall announce all candidates for the position of NAR Director-Elect at the Board of Directors meeting at which the election for the office will be held.
- J. PETITIONS FOR NOMINATION FOR CANDIDATES THAT ARE NOT CERTIFIED** – If a potential candidate makes an application for candidacy by the deadline specified above and is not certified as a candidate by the Credentials Committee, the potential candidate may submit a petition for nomination to the position of NAR Director-Elect to the Chief Executive Officer within 30 days of receiving the notice of ineligibility for candidacy. The petition for nomination as an NAR Director-Elect must contain the completed application for candidacy and the notice of ineligibility for candidacy and must be signed by at least 25 members of the Board of Directors. If the Chief Executive Officer receives a properly completed petition for nomination within the 30 days following receipt of the notice of ineligibility for candidacy, the Chief Executive Officer shall announce the candidate as a petition candidate for the position of NAR Director-Elect and include the petition in the materials for the Board of Directors meeting at which the election will be held.

SECTION 3. RESIGNATION OF DIRECTORS: Any Director may resign by giving written notice to the Secretary of KAR. 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, if the petition is received such that a regularly-scheduled meeting of the Board of Directors is already scheduled to occur within not less than twenty (20) days nor more than forty-five (45) days of receipt of the petition, the Board of Directors shall consider the 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 KAR, 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. ATTENDANCE POLICY FOR DIRECTORS: Any Director absent for two regularly scheduled meetings of the Board of Directors during his or her two-year term in office shall be deemed as resigned from office, with the exception of the Past Association Presidents. Upon the publishing of the Minutes of the Board of Directors meeting and written notification from KAR, the Member Board or Member Council of the resigned Director shall have 45 days to submit candidate application(s) to the KAR Chief Executive Officer. Within 15 days of receipt, the KAR Chief Executive Officer shall forward all applications to the Credentials Committee. The Credentials Committee will follow procedures as set out in Section 2 B and C above. Candidates for election will be announced at the next regularly scheduled Board of Directors meeting at which the election will be held. If the Member Board or Member Council fail to submit candidate application(s) 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.

SECTION 6. VACANCIES ON THE BOARD OF DIRECTORS: Vacancies on the Board of Directors resulting from any cause shall be filled by the respective Member Board or Member Council submitting candidate application(s) within 45 days of the vacancy to the KAR Chief Executive Officer. Within 15 days of receipt, the KAR Chief Executive Officer shall forward all applications to the Credentials Committee. The Credentials Committee will follow procedures as set out in Section 2 B and C above. Candidates for election will be announced at the next regularly scheduled Board of Directors meeting at which the election will be held. If the Member Board or Member Council fail to submit candidate application(s) 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.

SECTION 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 8. ANNUAL MEETING: The annual meeting of the Board of Directors shall be held in conjunction with the second regularly-held meeting of the Board of Directors each year.

SECTION 9. REGULAR MEETINGS: The Board of Directors shall hold two regular meetings each year. Notice is not required for the date of such meetings that are set according to an annual schedule of meetings or these bylaws.

SECTION 10. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called at any time by the Secretary upon the written request of the President, President-Elect or 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 KAR 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 facsimile, 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 facsimile, such notice shall be deemed to be delivered when the same is delivered by the Secretary of KAR.

SECTION 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 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 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 KAR in any other capacity and receiving compensation therefore.

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

SECTION 16. VOTING RIGHTS: Voting Members of KAR shall be the Board of Directors. Each such Member shall be entitled to one (1) vote on all matters properly coming before any meeting. Persons holding or representing the holders of all other categories of Membership may attend any meeting, but shall have no vote.

SECTION 17. PRESIDING OFFICER AND ORDER OF BUSINESS: The President shall preside at all regular and special meetings of the Board of Directors. In the absence of the President at any meeting of the Board of Directors, the President-Elect shall preside. If both the President and President-Elect are absent, a majority of the Board of Directors present at the meeting shall choose a chairman to preside over the meeting by a majority vote. The Secretary of KAR shall act as Secretary of all meetings, but if the Secretary is not present, the Members entitled to vote at the meeting who are present shall choose any person present to act as Secretary of the meeting.

SECTION 18. QUALIFICATIONS AND REQUIREMENTS OF DIRECTORS – The Board of Directors shall have the authority to adopt requirements and qualifications that must be satisfied by any member seeking to serve as a Director of KAR under these Bylaws.

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, the three appointees as specified in Section 2 of this article and the immediate Past President of KAR. Any member serving as a NAR Officer, including a Regional Vice President, shall serve as an Ex-Officio member of the KAR Executive Committee without the right to vote and make or second motions on committee action items. The Chair of KAR Association Executives Committee shall serve as an Ex-Officio member of the KAR Executive Committee without the right to vote and make or second motions on committee action items during his or her term as Chair. Following the first regularly-held meeting of the Board of Directors each year, each member elected during the meeting as the First Vice President/Treasurer or a Zone Vice President for a term that begins on January 1 of the following year shall serve as an Ex-Officio member of the KAR Executive Committee for the remainder of the current calendar year without the right to vote and make or second motions on committee action items.

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 meeting that is held prior to the second regularly-held meeting of the Board of Directors each year. 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.

SECTION 4. ATTENDANCE AT EXECUTIVE COMMITTEE MEETINGS: Any Executive Committee member who is absent more than one-third of the scheduled meetings of the Executive Committee in a calendar year shall be deemed resigned. If an Executive Committee meeting is canceled, this shall not be counted as an absence. This section shall not apply to the Ex-Officio members of the Executive Committee.

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. Following the first regularly-held meeting of the Board of Directors each year, each member elected during the meeting as the First Vice President/Treasurer for a term that begins on January 1 of the following year shall serve as a member of the Senior Management Team for the remainder of the current calendar year.

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 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 – ANNUAL MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING: The annual meeting of the Members shall be held each year in conjunction with the second regularly-held meeting of the Board of Directors 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 Meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

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 second regularly-held meeting of the Board of Directors each year, 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 second regularly-held meeting of the Board of Directors each year. 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.

SECTION 3. STANDING COMMITTEES AND TERMS OF COMMITTEE MEMBERS: Members appointed to the committees shall serve such terms 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; (4) Professional Standards; (5) Grievance; and (6) Credentials.

SECTION 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 5. PAST PRESIDENTS' ADVISORY COMMITTEE: The Past Presidents of KAR 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: KAR shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of KAR, or is or was serving at the request of KAR 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 KAR 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 KAR.

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 KAR shall begin on the first day of January and end on the 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 KAR.

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: KAR shall not loan money to any officer, Director or employee.

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 KAR. The Code of Ethics of KAR 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 KAR: A Member Board, prior to referring an ethics complaint or arbitration request for review to KAR, 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 KAR, and KAR may delegate to another Member Board or a regional enforcement facility, the authority to hear the case on behalf of KAR. 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, KAR shall be responsible for conducting the hearing.

SECTION 2. SUBMISSION OF MATTERS DIRECTLY TO KAR: 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 KAR level under the following circumstances:

- A. ALLEGATIONS AGAINST NON-MEMBER BOARD MEMBERS** – Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® who is directly a member of KAR and not a member of any Member Board.
- B. SITUATIONS WHERE MEMBER BOARD CANNOT PROVIDE AN IMPARTIAL HEARING** – Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® in the instance in which the Member Board, because of size or other valid reason, determines that it cannot provide a due process hearing of the matter and petitions KAR to conduct a hearing.
- C. CONTRACTUAL DISPUTES BETWEEN REALTORS® FROM DIFFERENT MEMBER BOARDS** – 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 KAR by both Member Boards.
- D. CONTRACTUAL DISPUTES BETWEEN REALTORS® WHO DO NOT BELONG TO A MEMBER BOARD** – Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are directly members of KAR 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** – 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 KAR, 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** – 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 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** – 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 KAR.

SECTION 3. ASSOCIATION GOVERNED BY THE CODE OF ETHICS AND ARBITRATION MANUAL: The responsibility of KAR 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 KAR, as from time to time amended, which by this reference is made a part of these Bylaws.

SECTION 4. RIGHT TO CONDITION MEMBERSHIP ON COMPLETION OF PENDING PROCEEDING: If a REALTOR® Member 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 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 5. NEW MEMBER CODE OF ETHICS ORIENTATION: Applicants for REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants 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 6. CONTINUING MEMBER CODE OF ETHICS TRAINING:

- A. REQUIREMENT TO COMPLETE TRAINING** – Effective January 1, 2017, through December 31, 2018, and for successive two year periods thereafter, each REALTOR® member of KAR (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) 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 two (2)-year cycle shall not be required to complete additional ethics training until a new - two (2)-year cycle commences.
- C. FAILURE- TO SATISFY REQUIREMENT** – Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any two (2)- year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2)-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® or 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. KAR shall have control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, on the use of the terms within those areas of the state of Kansas not within

the jurisdiction of a Member Board. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in KAR's Code of Ethics and Arbitration Manual.

SECTION 2. USAGE RESTRICTED TO MEMBERS: Individual Members of KAR 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 or Institute Affiliate 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 NOTICE: The *Kansas REALTOR® News* shall be the official publication of KAR, 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 KAR, 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 when not in conflict with the Bylaws of KAR and any special rules of order that may be adopted by KAR.

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 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 KAR has obligated itself.

ARTICLE XIX – DISCRIMINATORY ACTS OR PRACTICES

SECTION 1. PROHIBITION AGAINST DISCRIMINATORY ACTS: Any member of KAR 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 a KAR employee after a hearing in accordance with the procedures selected or utilized by KAR. The decision of the appropriate disciplinary action to be taken shall be made by an investigatory team comprised of the President, President-elect, 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 KAR. 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 KAR: Upon the dissolution or winding up of the affairs of KAR, 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 KAR or its officers, or, when determined appropriate by the Board of Directors, against one or more members of KAR.

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; Revised June 18, 2015; Revised October 9, 2018; Revised October 8, 2019.