

# BYLAWS OF THE KANSAS 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 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) 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 profession 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 the following categories: (1) Member Boards; (2) Association Members; (3) Individual REALTOR® Members; (4) Institute Affiliate Members; (5) Affiliate Members; (6) Honorary Members; and (7) Ex-Officio Members.

**\*SECTION 2. MEMBER BOARDS:** A Member Board shall be any Board chartered by the National Association of REALTORS® within the State of Kansas, all the REALTOR® Members of which hold membership in the Member Board and membership in KAR and in the NATIONAL ASSOCIATION OF REALTORS®, hereafter referred to as NAR.

**\*SECTION 3. ASSOCIATION MEMBERS:** Association Members shall be any REALTOR® or Institute Affiliate Member of a Member Board in good standing for whom the Member Board remits dues to KAR.

**\*SECTION 4. INDIVIDUAL REALTOR® MEMBERS:** An Individual REALTOR® Member shall be any individual engaged in the real estate profession as a principal, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s), and licensed or certified individuals affiliated with said Individual REALTOR® Member whose place of business is located in an area outside the jurisdiction of any Member Board in the State of Kansas and who meets the qualifications for REALTOR® membership. 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.

- A. An applicant for Individual REALTOR® membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the association through its membership committee or otherwise that they are 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, agrees to complete a course of instruction covering the Bylaws of the KAR, and the *Constitution and Bylaws* and Code of Ethics of NAR, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required, and shall agree that if elected to membership, they will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.
- B. Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, in order to qualify for Individual 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 a course of instruction covering the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NAR, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the membership committee and shall agree in writing that if elected to membership they will abide by such *Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.*

- C. 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 they deem 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.
- D. **Designated REALTOR® Members.** Each firm (or office in the case of firms with multiple office locations) shall designate in writing one Individual REALTOR® member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of association dues as established in Article III of 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.
- E. Any 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 NAR, as set forth in the *Code of Ethics and Arbitration Manual* of NAR.
- F. If an Individual 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 Individual 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 Individual REALTOR® Member (non-principal) elects to sever their connection with the Individual REALTOR® and affiliate with another Individual REALTOR® member in good standing in KAR, whichever may apply. If an Individual 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.

In any action taken against an Individual REALTOR® Member for suspension or expulsion under Section 4(F) hereof, notice of such action shall be given to all Individual REALTORS® employed by or affiliated as independent contractors with such Individual REALTOR® Member and they shall be advised that the provisions in Article II, Section 4(F) shall apply.

**\*SECTION 5. INSTITUTE AFFILIATE MEMBERS:** Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the NAR 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 6. AFFILIATE MEMBERS:** Affiliate Members shall be individuals, corporations or firms not actively engaged in the business of real estate, but who are in support of the interests of KAR. Such individuals, corporations or firms may become Affiliate members of KAR upon the payment of required dues.

**SECTION 7. HONORARY MEMBERS:** Honorary Members shall be individuals other than those engaged in the real estate profession who have contributed notably to KAR.

**SECTION 8. 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 9. ORGANIZATION OF MEMBER BOARDS:** For the purpose of representation, the Member Boards of KAR shall be organized based on the number of KAR members holding primary membership in each Member Board as follows: Mega Member Board (3001 or more members), Large Member Board (1001 – 3000 members), Medium Member Board (251 – 1000 members), Small Member Board (250 or fewer members).

### **ARTICLE III – DUES**

#### **\*SECTION 1. DUES OF MEMBER BOARDS:**

- A.** The annual dues of each Member Board shall be (1) an amount as established by the Board of Directors times the number of REALTOR® Members who hold primary membership in the Board, and (2) an amount as established by the Board of Directors times the number of real estate salespersons or brokers and licensed or certified appraisers employed by or affiliated as independent contractors with REALTOR® Members of the Board who are not themselves REALTORS® or Institute Affiliate members. 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 association in the state or a state contiguous thereto, provided the association notifies the State Association in writing of the identity of the association to which dues have been remitted.
- B.** A REALTOR® member of a Member Board shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of NAR. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business provided that such licensee is not otherwise included in the computation of dues payable by the principal of the entity.
- C.** 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 Section, shall not be included in the computation of dues if dues have been paid in another Board in the State or a state contiguous thereto, provided the Board notifies KAR in writing of the identity of the Board to which dues have been remitted.

**\*SECTION 2. DUES OF INDIVIDUAL REALTOR® MEMBERS:**

- A. The annual dues of each Individual REALTOR® Member shall be (1) in such amount as established annually by the Board of Directors, plus (2) an additional amount to be established annually by the Board of Directors times the number of real estate salespersons or brokers and licensed or certified appraisers who are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such Individual REALTOR® Member, and are not REALTORS® members of any association in the state of Kansas or a state contiguous thereto or Institute Affiliate members of KAR. In calculating the dues payable to KAR by an Individual REALTOR® Member, nonmember licensees as defined in this paragraph shall not be included in the computation of dues if the Individual REALTOR® Member has paid dues based on said nonmember licenses in another association in the state of Kansas or a state contiguous thereto, provided the Individual REALTOR® Member notifies KAR in writing of the identity of the board to which dues have been remitted.
- B. The annual dues of REALTOR® members other than the Individual REALTOR® member shall be as established annually by the Board of Directors.
- C. 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®.
  - 1. A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the Individual 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, renting, 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®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.
  - 2. The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.
- D. Upon payment to KAR of the dues in 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.

**\*SECTION 3. DUES OF INSTITUTE AFFILIATE MEMBERS:** The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of NAR.

**SECTION 4. 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 January 1.

**SECTION 5. PAYMENT OF DUES:**

- A. The annual dues for Member Boards and Individual REALTOR® Members are due and payable January 1 and delinquent after February 14. 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. Any Member Board or Individual REALTOR® Member submitting dues after February 14 for an existing Member as of January 1, shall be assessed a per member late fee in an amount as established from time-to-time by the Board of Directors. The membership of any Member Board or other Member delinquent in payment of such dues on March 31 shall automatically terminate on April 1. There shall be no refund of dues.
- C. 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.
- 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.
- E. 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® membership in KAR. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

**SECTION 6. NEW MEMBER FEE:** A New Member Fee of an amount not exceeding three times the amount of the annual dues, 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 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 REALTOR® 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 per member late fee in an amount as established from time-to-time by the Board of Directors. There shall be no refund of such fees.

**SECTION 7. WAIVERS:**

- A. **REINSTATEMENT 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.
- B. **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.
- C. **ADDITIONAL WAIVERS** - Notwithstanding anything in this Article to the contrary, the dues payable by an Individual REALTOR® Member or a Member Board to KAR shall be reduced by the dues amount established by the Board of Directors, times the number of NAR REALTOR® Emeriti, Past Presidents of NAR, Past Treasurers of NAR and recipients of the NAR Distinguished Service Award who hold primary state membership in KAR.

**ARTICLE IV – OFFICERS**

**SECTION 1. OFFICERS OF KAR:** The Officers of KAR Shall be the President, President-Elect, Vice President/Treasurer, and the Chief Executive Officer/Secretary of KAR.

**SECTION 2. TERMS OF OFFICERS:** The President, President-Elect and Vice President/Treasurer shall serve for a term of one (1) year, commencing upon January 1 following their election and installation, 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.

**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. In addition, the President shall have other powers, duties and responsibilities which may be delegated to them 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 herein. 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. The President-Elect shall serve as Chairman of the Budget and Finance Committee.
- C. THE VICE PRESIDENT/TREASURER** – The Vice President shall serve as the Vice Chairman of the Budget and Finance Committee and as Treasurer of KAR. The Vice President/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 Vice President/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 upon request.
- 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 SECRETARY** – The Chief Executive Officer shall act as 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 and have the authority to make nonmaterial modifications to KAR’s records and/or governing documents, including these Bylaws. All such modifications shall be documented and reported to the Executive Committee.

**SECTION 4. RESIGNATION OF OFFICERS:** Any Officer may resign by delivering a resignation to the President or CEO of KAR. The resignation shall take effect upon receipt.

**SECTION 5. 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 OFFICE OF PRESIDENT-ELECT** – In the case of a vacancy in the office of President-Elect, the Vice President/Treasurer shall automatically become President-Elect.
  
- C. VACANCY IN THE OFFICE OF VICE PRESIDENT/TREASURER** – In the case of a vacancy in the office of 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.

**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, oversee 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. COMPOSITION OF DIRECTORS:** The Board of Directors shall consist of REALTOR® Members of KAR, who shall be the voting members of the Executive Committee, all active past KAR Presidents who complete a KAR Director application, all NAR Directors or Officers, and Member Board Elected Directors.

**SECTION 3. MEMBER BOARD ELECTED DIRECTORS:** All Member Boards shall have two (2) Director seats. Additional Director seats allocated to each Member Board shall be determined by a formula of one (1) Director for each 500 Association Members. Association Members 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 30 of the current year. Each Director shall serve a two (2) year term. Directors from Small and Medium Member Board(s) shall be elected commencing to serve in even numbered years. Directors from Mega and Large Member Board(s) shall be elected commencing to serve in odd numbered years.

**SECTION 4. COMMENCEMENT OF TERMS:** All Members of the Board of Directors shall commence serving their respective terms of office on January 1 following the installation of Officers and Directors at the second regularly held meeting of the Board of Directors.

**SECTION 5. RESIGNATION OF DIRECTORS:** Any Director may resign by giving written notice to the President or CEO of KAR. Such resignation shall take effect upon receipt.

**SECTION 6. ATTENDANCE POLICY FOR DIRECTORS:** Any Director absent for two regularly held meetings of the Board of Directors during their two-year term in office shall be deemed as resigned from office.

**SECTION 7. VACANCIES OF MEMBER BOARD ELECTED DIRECTORS:** Vacancies in the position of Member Board Elected Directors resulting from any cause shall be filled by the respective Member Board submitting candidate application(s) within 45 days of the notice of 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 election procedures as set out in Article VIII, Section 7. If the Member Board fails 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 8. 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 9. 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 10. 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 (1) set according to an annual schedule of meetings or; (2) these Bylaws.

**SECTION 11. 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. 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 sent through the official publication of KAR by the Secretary of KAR to each Director at least ten (10) days before the day on which the meeting is to be held.

**SECTION 12. 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 attendance is for the express purpose and is so stated at the opening of the meeting of objecting to the transaction of any business because the meeting is not lawfully called or convened.

**SECTION 13. 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 (1) 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 14. 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. Nothing contained herein shall be construed to preclude any Director serving KAR in any other capacity and receiving compensation therefore.

**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.

#### **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, the Vice-President/Treasurer, the Member Board Representatives, the two appointees as specified in Section 3 of this article and the Immediate Past President of KAR. Any member serving as an 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 Executive Committee without the right to vote and make or second motions on committee action items during their term as Chair. An appointee of the KAR Past Presidents' Advisory Council shall serve as an Ex-Officio member of the Executive Committee without the right to vote and make or second motions on committee action items. Following the election of the Vice President/Treasurer Elect, the Vice President/Treasurer Elect shall serve as an Ex-Officio member of the KAR Executive Committee until the beginning of their term without the right to vote and make or second motions on committee action items.

**SECTION 2. MEMBER BOARD REPRESENTATIVES:** Each Member Board Representative shall keep the Senior Management Team, Executive Committee and Board of Directors in close contact with the real estate interests of their Member Board(s). The Member Board Representatives shall be responsible for contacting all their Member Board(s) for help that may be needed in any state or national legislation affecting the interests of the real estate industry. Said Member Board Representatives 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 Member Board Representatives may meet from time to time with KAR Directors from within their Member Board(s) and may call a meeting of their KAR Directors prior to any meeting of the Board of Directors. Member Board Representatives from Small and Medium Member Board(s) shall be elected commencing to serve in odd numbered years. Member Board Representatives from Mega and Large Member Board(s) shall be elected commencing to serve in even numbered years.

**SECTION 3. ANNUAL APPOINTEES BY THE PRESIDENT-ELECT:** On an annual basis, the President-Elect shall have the privilege of submitting up to two recommendations for appointees, for approval by the Executive Committee during a 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. In the case of a vacancy in any of the appointee positions, the President shall submit a recommendation for approval by the Executive Committee to fill the position for the remainder of the term.

**SECTION 4. 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 and the authority to establish or modify policies for 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.

**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 Executive Committee member, including Officers, who is absent more than one-third of the scheduled meetings of the Executive Committee in the 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.

**SECTION 6. VACANCY IN THE OFFICE OF MEMBER BOARD REPRESENTATIVE:** In the case of a vacancy in the office of a Member Board Representative, the members of the KAR Directors of the affected Member Board(s) shall meet within 60 days from the date the vacancy exists to elect a Member Board Representative. The outgoing Member Board Representative shall chair the meeting or, in the event that member is not available, the Directors in attendance shall elect a chair 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 twenty (20) day notice, and keep the minutes of such meetings.

#### **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, Vice President/Treasurer, Immediate Past President, and the Chief Executive Officer. Following the election of the Vice President/Treasurer Elect, the Vice President/Treasurer Elect shall serve as a member of the Senior Management Team.

**SECTION 2. POWERS AND DUTIES OF THE SENIOR MANAGEMENT TEAM:** It shall be the responsibility of the Senior Management Team to monitor the strategic and/or business plans 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 – ELECTIONS AND REMOVAL FROM OFFICE**

**SECTION 1. QUALIFICATIONS:** The Board of Directors shall have the authority to adopt individual qualifications and requirements for the positions of Vice President/Treasurer Elect, Member Board Representative, Member Board Elected Directors, or any other KAR Officer or Director. Such qualifications and requirements must be satisfied by any member seeking election.

**SECTION 2. CERTIFICATION OF CANDIDATES BY CREDENTIALS COMMITTEE:** All members who are seeking to be certified as candidates for the position of Vice President/Treasurer Elect, Member Board Representative or Member Board 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 their installation would 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.

**SECTION 3. NOMINATIONS OF CERTIFIED CANDIDATES:** Upon the Credentials Committee's determination that a candidate meets the qualifications and requirements adopted by the Board of Directors for the position to which they applied, the Credentials Committee shall submit that individual to the Chief Executive Officer as a certified

candidate. The Chief Executive Officer shall announce all certified candidates at the Board of Directors meeting at which the election for the office will be held.

**SECTION 4. 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 specified office to the Chief Executive Officer within 30 days of receiving the notice of ineligibility for candidacy. The petition for nomination to the 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.

**SECTION 5. ELECTION OF OFFICERS:** The Vice President/Treasurer Elect shall be elected by all the voting Directors at the second regularly held meeting of the Board of Directors each year. All members that are either certified as a candidate or have properly completed a petition for nomination to the specified office shall be announced as candidates at the meeting. No election of the President and President-Elect shall take place as the terms of office of the President and President-Elect end on December 31 of each year and the President-Elect shall succeed to the office of President automatically and the 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.

**SECTION 6. ELECTION OF SMALL, MEDIUM, AND LARGE MEMBER BOARD REPRESENTATIVES:** The Member Board Representatives shall be elected by the KAR Directors from the respective Member Board(s) represented by the position at a meeting held prior to the second regularly held meeting of the Board of Directors each year. All members that are either certified as a candidate or have properly completed a petition for nomination to the specified office shall be announced as candidates at the meeting.

**SECTION 7. ELECTION OF MEMBER BOARD ELECTED DIRECTORS:** The Member Board Elected Directors shall be selected by their respective Member Boards and shall be announced by the Chief Executive Officer at the second regularly held meeting of the Board of Directors each year. Only one candidate may be announced for each available position, thereby prohibiting any election of Member Board Elected Director at a Board of Directors meeting. All members that are either certified as a candidate by the Credentials Committee or have properly completed a petition for nomination to the office shall be considered as candidates by the respective Member Board.

**SECTION 8. PROCEDURES FOR VOTING:** 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.

**SECTION 9. ELECTION, TERM AND VACANCIES OF NAR DIRECTORS:**

- A. NAR DIRECTOR APPOINTMENTS** – NAR Directors appointed by KAR are allocated pursuant to the following formula: the number of primary members in KAR as of July 31 of the year prior to service divided by the number of primary members in NAR as of the same date multiplied by 261. One NAR Director who is a primary member in a local association with 500-1,999 members as of July 31 of the year prior to service will

be appointed by KAR. One NAR Director who is a primary member in a local association with 499 members or less as of July 31 of the year prior to service will be appointed by KAR. Appointed Directors will serve a term of up to three (3) years.

- B. CERTIFICATION OF NAR DIRECTOR APPLICANTS BY CREDENTIALS COMMITTEE** – Members interested in the position of NAR Director must submit a completed application to the KAR Chief Executive Officer no later than August 15 prior to the year in which the term begins. Members completing an NAR Director application are required to satisfy the following qualifications: (1) Statement by the applicant describing their involvement in real estate, why they are seeking a position on the NAR Board of Directors and what they believe they can contribute in their role; (2) Commitment to support the mission, priorities, and core values of NAR; and (3) Acknowledgement they will fulfill all duties and responsibilities of the role including but not limited to preparing for, attending, and participating in meetings and abiding by NAR policies and procedures. The Credentials Committee shall review and evaluate each submitted application and determine whether each applicant meets the stated qualifications and requirements adopted by the NAR Board of Directors. The Credentials Committee shall provide a written notice of determination of eligibility or ineligibility to applicant no later than August 30. In the case of a determination of ineligibility, the Credentials Committee shall provide the reasoning for the determination of ineligibility in the written notice. If an applicant receives a notice of ineligibility, the applicant may submit a request for reconsideration to the Credentials Committee with new information. Such a request must be received within five (5) days of receiving the notice of ineligibility.
- 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 NAR Director-Elect to the Chief Executive Officer within fifteen (15) 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 twenty-five (25) members of the Board of Directors. If the Chief Executive Officer receives a properly completed petition for nomination within the fifteen (15) 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 election by the currently serving NAR Directors along with the KAR Executive Committee. The elected member(s) for NAR Director must be submitted to NAR by the September 15 deadline.
- D. ELECTION OF NAR DIRECTOR** – Upon the Credentials Committee’s determination that an applicant meets the qualifications and requirements for the position of NAR Director adopted by the NAR Board of Directors, the Credentials Committee shall submit that individual to the Chief Executive Officer as a certified candidate. If there is only one eligible candidate for an open NAR Director position, that eligible candidate shall automatically be declared the NAR Director for that position. If there is more than one eligible candidate for any one position of NAR Director, the currently serving NAR Directors along with the KAR Executive Committee will hold an election. The elected member(s) for NAR Director must be submitted to NAR by the September 15 deadline.

**SECTION 10. REMOVAL FROM OFFICE:** In the event that an Executive Committee Member, KAR Officer or Director, or NAR Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the individual may be removed from office under the following procedure:

- A. FILING A PETITION** – A petition requesting the removal of the individual 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 individual and to render a decision on the petition. Provided, if the petition is received such that a regularly held 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 held 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 ten (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 two-thirds vote of Directors present and voting shall be required for removal from office.
- D.** Presidential Appointees, AEC Representative, and the PPAC Appointee can be removed by the majority of Executive Committee.

#### **ARTICLE IX – 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.

#### **ARTICLE X – 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 these Bylaws for the ensuing year, thirty (30) 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, subject to approval of the Board of Directors. The President-Elect, subject to the approval of the Executive Committee, shall appoint KAR Members to fill committee member vacancies on such committees for the ensuing year, thirty (30) 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 their resignation with the Chief Executive Officer. Resignation shall take effect upon receipt. Vacancies on any committee 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 and Finance; (3) Governmental Affairs; (4) Professional Standards; (5) Grievance; and (6) Credentials.

**SECTION 4. ADDITIONAL COMMITTEES:** The President shall have the authority to appoint, with the approval of the Executive Committee, such committees, task forces, forums and other groups in addition to the Standing

Committees authorized by these Bylaws, as the President and the Executive Committee shall deem necessary for the operation of this Association.

**SECTION 5. 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 held meeting during an appointment year shall be deemed resigned from that committee.

**SECTION 6. PAST PRESIDENTS' ADVISORY COUNCIL:** The Past Presidents of KAR shall constitute an Advisory Council which shall be available for consultation by the President or by other Officers and by the Board of Directors.

#### **ARTICLE XI – 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 them and incurred by them in any such capacity, or rising out of their status as such, whether or not KAR would have the power to indemnify them 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 XII – 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. PROHIBITION OF PROXY VOTING:** Voting by proxy shall not be permitted at any meeting of the Board of Directors, any committee, or any other governing body of the Association. All votes must be cast by the individual entitled to vote, either in person or, if applicable, through authorized electronic participation as provided in these Bylaws.

**SECTION 4. 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 5. ACTION WITHOUT MEETING:** Any action required or permitted to be taken at any meeting of the Board of Directors, Executive Committee, or any other committee, may be taken without a meeting if all members of that Board or Committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of the that Board or Committee thereof.

**SECTION 6. ELECTRONIC MEETINGS:** Meetings of the Board of Directors and any duly authorized committee may be held entirely or in part by means of electronic communication, including but not limited to videoconferencing platforms, provided that all participants can simultaneously hear and see one another during the meeting. Participation in a meeting pursuant to this section shall constitute presence at such meeting.

**SECTION 7. LOANS TO OFFICERS AND DIRECTORS:** KAR shall not loan money to any Officer, Director, or employee.

### **ARTICLE XIII – CODE OF ETHICS**

**\*SECTION 1. ADOPTION OF THE CODE OF ETHICS:** The Code of Ethics of NAR is adopted as the Code of Ethics of KAR and be considered part of the KAR Rules and Regulations, and the Code of Ethics and Rules and Regulations of KAR shall, in the future, be deemed to be amended and changed whenever said Code of Ethics is amended or changed by NAR.

### **ARTICLE XIV – 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 NONMEMBER BOARD ASSOCIATION MEMBERS –** Allegations of unethical conduct made against a REALTOR® 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 NAR 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 they 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 (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) 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. NEW MEMBER FAIR HOUSING ORIENTATION:** Applicants for REALTOR® membership shall complete Fair Housing training of not less than two (2) hours of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by KAR or another REALTOR® association, NAR, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by NAR from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NAR from time to time. This requirement does not apply to applicants for REALTOR® membership who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) 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 7. CONTINUING MEMBER CODE OF ETHICS TRAINING:**

**A. REQUIREMENT TO COMPLETE TRAINING** – Effective January 1, 2019, through December 31, 2021, and for successive three-year periods thereafter, each REALTOR® member of KAR (with the exception of REALTOR®

members granted REALTOR® Emeritus status by NAR) 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 REALTOR® association or NAR which meets the learning objectives and minimum criteria established by the NAR from time to time. REALTOR® Members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-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 three-year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three-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.

**\*SECTION 8. CONTINUING FAIR HOUSING TRAINING:** Effective January 1, 2025, through December 31, 2027 and for successive three-year periods thereafter, each REALTOR® member of KAR (with the exception of REALTOR® members granted REALTOR® Emeritus status by the NAR) shall be required to complete Fair Housing training of not less than two (2) hours of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by KAR or another REALTOR® association, NAR, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by NAR from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by NAR from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three-year cycle commences.

Failure to satisfy the required periodic Fair Housing training shall be considered a violation of a membership duty. Failure to meet the requirement in any three-year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three-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 XV – 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 NAR and to the Rules and Regulations prescribed by its Board of Directors. KAR shall have authority to control, jointly and in full cooperation with the NAR, 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:** REALTOR® Members of KAR shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their business so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.

**\*SECTION 3. USAGE OF TERMS BY INDIVIDUALS WITHIN FIRMS:** A REALTOR® Member who is a principal of real estate firm, partnership or corporation may use the terms REALTOR® or REALTORS® only if all of the principals of

such firm, partnership, or corporation who are actively engaged in the real estate profession within the state of Kansas or a state contiguous thereto are REALTOR® or Institute Affiliate members.

**\*SECTION 4. USE PROHIBITED BY INSTITUTE AFFILIATE MEMBERS:** An Institute Affiliate Member shall not use the terms REALTOR® or REALTORS® and shall not use the imprint of the emblem seal of NAR.

#### **ARTICLE XVI – PUBLICATION AND OFFICIAL NOTICE**

**SECTION 1. OFFICIAL PUBLICATION OF THE ASSOCIATION NOTICE:** The KAR BUZZ shall be the official publication of KAR, and this publication shall be deemed a proper medium for the official publication and notice of any amendment or amendments to the Bylaws.

#### **ARTICLE XVII – 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 XVIII – 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 XIX – 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 12.

**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 NAR in accordance with any applicable Charter requirements to which KAR has obligated itself.

**SECTION 3. AMENDMENTS MANDATED BY NAR:** The Executive Committee may, at any regular or special meeting of the Executive Committee at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy. Sections within these Bylaws that include language mandated by NAR policy are marked with an asterisk (\*).

#### **ARTICLE XX – 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, Officer, Director, vendor, volunteer, or other member 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, 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 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 XXI – DISSOLUTION**

**SECTION 1. DISSOLUTION OF KAR:** Upon the dissolution or winding down of the affairs of KAR, the Board of Directors, after providing for payment of all obligations, shall distribute any remaining assets to NAR, or, within its discretion, to any other non-profit and tax-exempt organization.

#### **ARTICLE XXII – LEGAL ACTION FUND**

**SECTION 1. ALLOCATION OF FUNDS TO LEGAL ACTION FUND:** The Board of Directors, with each annual budget shall determine an allocation 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; Revised October 2, 2020; Revised February 10, 2022; Revised November 18, 2022; Revised February 6, 2025, October 9, 2025.