



HAWAII ISLAND REALTORS®

THE VOICE OF REAL ESTATE ON THE ISLAND OF HAWAII

BYLAWS

Article I – Name

Section 1. Name. The name of this organization shall be the Hawai'i Island REALTORS®, Incorporated, hereinafter referred to as the "Association."

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

Article II – Objectives

The objectives of the Association are:

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

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

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

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

Section 5. To unite those engaged in the real estate profession in this community with the Hawai'i Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

Section 6. To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

Article III – Jurisdiction

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is the island of Hawaii except that part encompassing the Districts of North Kohala, South Kohala, North Kona and South Kona as divided by a line from Kukuihaele running south to a point at Kae Lae at the South Cape (western side of island).

Section 2. Territorial jurisdiction is defined to mean:

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

Article IV – Membership

Section 1. There shall be four (4) classes of members, as follows.

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

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

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Association in which one of the firm's principals holds REALTOR® Membership, shall be required to hold REALTOR® Membership unless otherwise qualified for Institute Affiliate membership, as described in Section 1(b) of Article IV. (Amended 1/05)

NOTE: REALTOR® Members may obtain membership in a "secondary" association in another state.

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

(3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NATIONAL ASSOCIATION OF REALTORS® *Constitution and Bylaws*. Such individuals shall enjoy all of the rights, privileges, and obligations of REALTOR® Membership (including compliance with the Code of Ethics) except: obligations related to association-mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local association, state association, and National Association. (Adopted 1/96)

(4) Primary and Secondary REALTOR® Members. An individual is a primary member if the Association pays State and National dues based on such member. An individual is a secondary member if State and National dues are remitted through another association. One of the principals in a real estate firm must be a designated REALTOR® Member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" association.

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

(b) Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® Membership, subject to payment of applicable dues for such membership. (Amended 1/02)

(c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this section, have interests requiring information concerning real estate and are in sympathy with the objectives of the Association. Affiliate membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® Membership in the Association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

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

Article V - Qualification and Election

Section 1. Application.

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

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association, through its Executive Officer, that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state (unless a secondary member), has no record of recent or pending bankruptcy,* has no record of official sanctions involving unprofessional conduct,** agrees to complete a course of instruction covering the Bylaws and rules and regulations of the Association, the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon, as may be required by the Association, and shall agree that if elected to membership, he/she will abide by such *Constitution*, Bylaws, rules and regulations, and Code of Ethics. (Amended 1/05)

(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 REALTOR® Membership, shall at the time of application be associated either as an employee or as an independent contractor with a designated REALTOR® Member of the Association or a designated REALTOR® Member of another 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 and rules and regulations of the Association, the Bylaws of the Hawai'i Association of Realtors®, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Association, and shall agree in writing that if elected to membership he/she will abide by such *Constitution*, Bylaws, rules and regulations, and the Code of Ethics. (Amended 5/07)

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

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

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; see Article V, Section 2(a), NOTE 2), provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel. (Amended 11/09)

*No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

**No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider:

- A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities
- B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date (Amended 5/07).

Section 3. Election to Membership.

The procedure for election to membership shall be as follows:

(a) Applicants for REALTOR® Membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable Association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the Association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within ninety days from the Association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues shall be computed from the date of application and shall be nonrefundable unless the Association's Board of Directors terminates the individual's membership in accordance with Subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received Association services and any application fee.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Executive Officer. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual. (Adopted 1/98, Amended 1/05)

Section 4. New Member Code of Ethics Orientation.

Applicants for REALTOR® Membership shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® Membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® Membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within ninety (90) days of the date of application will result in denial of the membership application or termination of provisional membership.

NOTE: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®. (Adopted 1/01)

Section 5. REALTOR® Code of Ethics Training.

Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete quadrennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the Hawai'i Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® Members who have completed training as a requirement of membership in another association and REALTOR® Members who have completed the New Member Code of Ethics Orientation during any four (4)-year cycle shall not be required to complete additional ethics training until a new four (4)-year cycle commences.

Failure to complete the required periodic ethics training shall be considered a violation of a membership duty.

Failure to meet the requirement will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, Amended 11/08)

Section 6. Status Changes.

(a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within ten (10) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within 45 (forty-five) days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring his/her license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within ten (10) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors. (Amended 1/98)

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

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

(c) Dues shall be prorated from the first day of the month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year. (Amended 1/05)

Article VI – Privileges and Obligations

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

Section 2. Any member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these and Association rules and regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®. Although members other than REALTORS® are not subject to the Code of Ethics, nor its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, members other than REALTORS® may, upon recommendation by a hearing panel of the professional standards committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Association, the Hawai'i Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the *Code of Ethics and Arbitration Manual* of the NATIONAL

ASSOCIATION OF REALTORS®, 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 OF REALTORS®.

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

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

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. (Amended 1/00)

Section 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

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

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

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

Section 7. Institute Affiliate Members. Institute Affiliate members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the *Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®*.

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to serve as President of the local association; or to be a participant in the local association's multiple listing service. (Amended 1/02)

Section 8. Affiliate Members. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors, except that Affiliate Members may not be entitled to vote for, nor hold elected office on the Board. Affiliate Members may be voting participants in committees of the Board at the invitation of the Board of Directors or the committee chair.

Section 9. Honorary Members. Honorary Membership shall confer only the right to attend meetings and participate in discussions.

Section 10. Harassment. Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association officer or director after an investigation in accordance with the procedures of the Association. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-Elect and/or Vice President and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the *Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®*. If the complaint names the President, President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

NOTE: Suggested procedures for processing complaints of harassment are available on line at <http://www.realtor.org/>, or from the NAR Member Policy Department. (Amended 5/08)

Article VII – Professional Standards and Arbitration

Section 1. The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the *Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®*, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the rules and regulations of the Association, the Constitution and Bylaws of the Hawaii Association of REALTORS®, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended.

Section 3. The responsibility of the Association and 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 consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

Section 4. The Board of Directors shall set the fees for filing Requests for Arbitration and Requests for Appeal.

Article VIII – Use of the Terms REALTOR® and REALTORS®

Section 1. Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual. (Amended 5/06)

Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the State so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege. (Amended 1/96)

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS®, only if all the principals of such firm, partnership, or corporation who are actively engaged in the

real estate profession within the State are REALTOR® Members or Institute Affiliate Members, as described in Section 1(b) of Article IV.

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

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

Article IX – State and National Memberships

Section 1. The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the Hawai'i Association of REALTORS®. By reason of the Association's membership, each REALTOR® Member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Hawai'i Association of REALTORS® without further payment of dues (refer to option below). The Association shall continue as a member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

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

Section 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the NATIONAL ASSOCIATION OF REALTORS® and the Hawai'i Association of REALTORS®.

Article X – Dues and Assessments

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three (3) times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Association upon final approval of the application. (Amended 1/02)

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

(a) REALTOR® Members. The annual dues of each designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any association in the State or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a designated REALTOR® Member, nonmember licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the designated REALTOR® has paid dues based on said nonmember licensees in another association in the State, provided the designated REALTOR® notifies the Association in writing of the identity of the association to which dues have been remitted. In the case of a designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for nonmember licensees shall be limited to licensees affiliated with the designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association. (Amended 1/05)

For the purpose of this section, 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 and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2(a)(1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and

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

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year. (Amended 11/09)

(b) REALTOR® Members. The annual dues of REALTOR® Members other than the designated REALTOR® shall be as established annually by the Board of Directors. (Amended 1/05)

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

NOTE: The Institutes, Societies, and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate members (\$105). The National Association shall credit \$35 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$35 amount will be credited to the COB, unless the Institute Affiliate member directs that the dues be distributed to the other association. The National Association shall also credit \$35 to the account of state associations for each Institute Affiliate member whose office address is located within the territorial jurisdiction of the state Association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate members, but may provide service packages to which Institute Affiliate members may voluntarily subscribe. (Amended 11/2013)

(d) Affiliate Members. The annual dues of each Affiliate Member shall be as established annually by the Board of Directors. (Amended 1/05)

(e) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors. (Amended 1/05)

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on or before the first day of January. Dues for new members shall be computed from the date of application and granting of provisional membership. (Adopted 1/98, Amended 1/05)

(a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® Membership is dropped for nonpayment of Association dues, and the individual remains with the designated REALTOR®'s firm, the dues obligation of the designated REALTOR® (as set forth in Article X, Section 2 (a)) will be increased to reflect the addition of a nonmember licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty (30) days of the notice of termination.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association are not paid within one (1) month after the due date, the nonpaying member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had his/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other rules and regulations of the Association may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination. The delinquent member shall be given (1) not less than fifteen (15) days prior written notice of the expulsion, suspension, or termination and the reasons therefore, and (2) an opportunity for the member to be heard, orally or in writing, not less than five (5) days before the effective date of the expulsion, suspension, or termination.

Section 5. Deposits. Deposits of funds shall be in accordance with policies established by the Board of Directors. (Amended 1/05)

Section 6. Expenditures. The Board of Directors shall direct the administration of the day to day finances of the Association. Capital expenditures or borrowing in excess of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) shall be approved by a majority vote of those voting members present at a General Membership Meeting, the notice and purpose of which shall be given by mail or electronically, to each voting member at least one (1) week in advance of meeting.

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

Section 8. Dues of REALTOR® EMERITI. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors. (Amended 11/2013)

NOTE: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the Association is assessed for a REALTOR® Member, times the number of REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® Members of the Association. The dues obligation of such individuals to the local association should be reduced to reflect the reduction in the Association's dues obligation to the National Association. The Association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Association's obligation to the Hawai'i Association of REALTORS® with respect to such individuals. Member Boards should determine whether the dues payable by the Association to the Hawai'i Association of REALTORS® are reduced with respect to such individuals. It should be noted that this does not affect a Designated REALTOR's® dues obligation to the Association with respect to those licensees employed by or affiliated with the Designated REALTOR® who are not members of the Association. (Amended 11/2013)

Article XI – Officers and Directors

Section 1. Officers. The elected officers of the Association shall be: a President, a President-Elect, a Vice President, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person. They shall be elected for a one-year term, with the exception of the Vice President, Secretary or the Treasurer, who may not serve more than two (2) consecutive terms in the same office.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Executive Officer to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the Hawai'i Association of REALTORS®. (Amended 1/05)

(a) **PRESIDENT.** The President shall preside over the meetings of the Board of Directors and between the meetings of the Board of Directors they shall represent the Board and act in its name, subject only to the policies and instructions of the Board of Directors. They shall appoint all committee chairpersons, shall be an ex-officio member of all standing committees, and shall perform all other duties usual to such office or as may be delegated to them by the Board of Directors.

(b) **PRESIDENT-ELECT.** The President-Elect shall perform the duties of the President in the event of his or her absence or disability and shall perform such other duties as may be delegated to him or her by the Board of Directors or the President. The President-Elect shall be automatically elected as the President of the Association upon completion of his or her term as President-Elect. He or she shall be a voting member of all standing committees, and shall perform all other duties as usual to such office or as may be delegated to him or her by the Board of Directors.

(c) **VICE PRESIDENT.** The Vice President shall perform the duties of the President-Elect in the event of his or her absence or disability and shall perform such other duties as may be delegated to him or her by the Board of Directors. The Vice President shall be responsible to update and review the Policy Manual of the Association with the approval of the Board of Directors on an annual basis.

(d) **SECRETARY.** The Secretary shall work together with the Executive Officer to record the minutes of all meetings of the Board of Directors, General Membership and any other meetings designated by the Board of Directors and shall have other duties as directed by the Board of Directors.

(e) **TREASURER.** The Treasurer shall be the custodian of the funds and securities of the Association and shall be responsible for the preparation of the annual budget as well as all other duties usual to their office or as may be delegated to them by the Board of Directors. (Amended 1/05)

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the elected officers, the Immediate Past President of the Association, and seven (7) elected REALTOR® Members of the Association. Directors shall be

elected to serve for terms of two (2) years. Thereafter, as many Directors shall be elected each year as are requested to fill vacancies. Term Limits: No director shall serve for more than two (2) consecutive terms.

Section 4. Executive Committee. There shall be an Executive Committee consisting of the President, President-Elect, Vice President, Immediate Past President, Secretary, Treasurer, and the Executive Officer (who shall serve in an advisory capacity without the right to vote).

- (a) The Executive Committee is to meet for the purpose of making recommendations to the Board of Directors.
- (b) Meetings of the Executive Committee may be called by any of the Executive Committee Members with just cause.
- (c) The President shall act as Chairman of the Executive Committee. At any meeting of the Executive Committee, a majority of the members of the Executive Committee shall constitute a quorum and all actions of the Executive Committee must receive the approval of a majority of such quorum.

Section 5. Election of Officers and Directors.

(a) At least two (2) months before the annual election, a Nominating Committee of five REALTOR® Members shall be appointed by the President-Elect with the approval of the Board of Directors. The Nominating Committee shall select at least one candidate for each office and one candidate for each place to be filled on the Board of Directors. The selection report or slate of the Nominating Committee shall be electronically transmitted to each member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 2% of the REALTOR® Members eligible to vote. The petition shall be filed with the Executive Officer at least two (2) weeks before the election. The Executive Officer shall send a ballot including such additional nominations to all members eligible to vote before the election. (Amended 1/05)

(b) The election of Officers and Directors shall take place at the Annual Meeting **or where** permitted by state law, and in accordance with applicable state requirements, election of officers may be conducted by electronic means, in accordance with procedures established by the Board of Directors. (Adopted 1/05)

(c) The President, with the approval of the Board of Directors, shall appoint the Immediate Past President and one staff person to certify the results of the election. In case of a tie vote, the issue shall be determined by lot.

Section 6. Vacancies. Vacancies among the officers and the Board of Directors shall be filled for the remainder of the term of the position being vacated by a simple majority vote of the Board of Directors, provided, however, that a member who has resigned pursuant to Article XII, Section 2, may not be eligible to run in the following year.

Section 7. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedures.

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking Officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.

(c) The special meeting shall be noticed to all voting members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking Officer will conduct the meeting of the hearing by the members. Provided a quorum is present, a three-fourths vote of members present and voting shall be required for removal from office.

Section 8. Indemnification. Indemnification of Officers, Directors, employees and agents of the Association shall be as provided by Sections 414D-160, -161, -162, -163, and -165, Hawaii Revised Statutes, as from time to time amended; provided, however, that the Association, acting by either its disinterested voting members or Directors, may provide additional rights of indemnification by Bylaw, agreement or resolution.

Section 9. Executive Officer. There shall be an Executive Officer who shall be appointed and employed by the Board of Directors upon and subject to the terms and conditions of a written contract of employment specifying their duties, authority and compensation and other benefits. The Executive Officer shall be the chief administrative officer of the Association, subject to the President, as directed by the Board of Directors, and shall be the head of and shall supervise the administrative staff, subject to the approval of the Board of Directors. He or she shall perform such other duties as may be delegated to him or her by the Board of Directors. He or she

shall provide a fidelity bond in a corporate surety qualified to do business in the State of Hawaii in such amount as shall be prescribed by the Board of Directors, the cost of which shall be paid by the Association.

Article XII – Meetings

Section 1. Annual Meetings. The Annual Meeting of the Association shall be held during September or October of each year, the date, place, and hour to be designated by the Board of Directors. (Amended 1/05)

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings with a minimum of six meetings per year. Absence of an Officer or Director from three (3) regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation.

Section 3. Special Directors Meetings. Special meetings of the Board of Directors may be called at any time by the President or by one-fifth (1/5) of the Officers and Directors upon written or oral notice to each Officer and Director advising of the time, place and purpose of the meeting, which shall be held not less than two (2) nor more than ten (10) days after the date of such written and oral notice.

Section 4. General Membership Meetings. General Membership Meetings shall be held at least three (3) times per year, with at least one meeting held on the East and one on the West side of the Island, at such times as the President or the Board of Directors may determine. Notification shall be served by USPS or electronically. The Annual Meeting shall be considered a General Membership Meeting.

Section 5. Special Membership Meetings. Special Membership Meetings may be held upon the written request of at least ten percent (10%) of the members eligible to vote. The cost of notification and holding special meetings shall be borne by those seeking such.

Section 6. Notice of Meetings. Notice shall be published on the official website of the Association and electronically distributed by the Association to every member entitled to participate in the meeting at least ten (10) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 7. Quorum. A quorum for the transaction of business at General Membership Meetings shall consist of the REALTORS® Members present. The quorum for meetings of the Board of Directors shall be the presence of a majority of those elected and serving.

Section 8. Proxies. The authority given by any member to another member to represent them at any authorized meeting shall be in writing, may designate any member as proxy, may be limited as the member desires and indicates, shall be signed by such member and filed with the Secretary prior to the meeting to which said proxy pertains. A proxy shall be valid only for a single meeting which shall be expressly designated in the proxy. A proxy may be revoked by written notice to the Secretary, and is automatically terminated by the death or incapacity of the member giving the proxy or by the attendance of the member at the meeting.

Section 9. Directors' Telephone and/or Video Meetings. Subject to provisions herein relating to notice, members of the Board of Directors may participate in meetings of the Board of Directors by means of a telephone and/or video conference in which all persons participating can hear each other at the same time. Participation by such means shall constitute presence in person at the meeting. Shall a Director need to leave the meeting, his absence shall be announced. At all times, a quorum must be met in order to conduct business.

Section 10. Action Without Meeting. Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the **Executive Officer** to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date. (Adopted 1/05)

Section 11. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means. (Adopted 1/05)

Article XIII – Committees

Section 1. Standing Committees. The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, chairs to the following standing committees:

Budget and Finance	Government Affairs	Technology
Building	Grievance	Professional Standards and Arbitration
Caravan	Member Services	Programs
Education	Personnel	Public Relations
Fair Housing	Principal Brokers	Strategic Planning

Section 2. Special Committees, Task Forces. The President shall appoint, subject to confirmation by the Board of Directors, special committees or Task Forces as deemed necessary.

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

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

Section 5. President-Elect. The President-Elect shall be a voting member of all standing committees and shall be notified of their meetings.

Section 6. Action Without Meeting. Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee. (Adopted 1/05)

Section 7. Attendance by Video or Telephone Conference. Members of a committee may participate in any meeting through the use of a conference video or telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting. (Adopted 1/05)

Section 8. Non-Attendance. Any committee member who fails to attend three (3) consecutive regular or special meetings of a committee without an excuse deemed valid by the committee shall be deemed to have resigned from that committee, and the vacancy shall be filled as herein provided for original appointees.

Article XIV – Fiscal and Elective Year

Section 1. The fiscal year of the Association shall be January 1 to December 31. (Amended 1/05)

Section 2. The elective year of the Association shall be January 1 to December 31.
(Adopted 1/05)

Article XV – Rules of Order

Section 1. *Robert's Rules of Order*, latest edition, shall be recognized as the authority governing the meetings of the Association, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

Article XVI – Amendments

Section 1. These Bylaws may be amended by a majority vote of the members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting.

(a) When Bylaws amendments are mandated by NAR policy, these Bylaws may be automatically amended to reflect the mandate as of the effective date of the mandatory policy authorized by the NATIONAL ASSOCIATION OF REALTORS®. The Association shall provide notice of that change in a regular or special membership communication. (Adopted 1/05)

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed or electronically delivered to every member eligible to vote at least two (2) weeks prior to the meeting.

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the

use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

Article XVII – Dissolution

Section 1. Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Hawai'i Association of REALTORS® or, within its discretion, to any other nonprofit tax exempt organization. (Amended 1/05)

ARTICLE XVIII - Multiple Listing Service

Section 1. Authority. The Hawai'i Island REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the State of Hawaii. The corporation shall service members of the Hawai'i Island REALTORS® and the Kauai Board of REALTORS®, and all the stock of said corporation shall be owned by these two (2) associations.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease). (Amended 11/04)

Section 3. Governing Documents. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its corporate charter, constitution, bylaws, rules, regulations, and policies, practices, and procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Participation. Any REALTOR® Member of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in Multiple Listing Service upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

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

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

Section 5. Subscribers. Subscribers (or users) of the MLS include nonprincipal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

ARTICLE XIX -- Directors to MLS Hawaii, Inc.

No later than October 1st, the President of the Association shall appoint, subject to confirmation by the Board of Directors, such Directors to MLS Hawaii, Inc., as shall be required to represent the Hawai'i Island REALTORS® for the management and conduct of MLS Hawaii, Inc. Such director candidates shall be members in good standing of the Association and current authorized users of the Multiple Listing Service. They may not be a concurrent Director or Officer of the Board. All qualified applicants interested in serving as a director of MLS Hawaii, Inc., shall make their interest known in writing to the Board by August 1st. Appointees shall serve for a three (3) year term and shall serve until a successor shall have been appointed or they have been replaced or removed as herein provided. The representatives so named shall be subject to removal with or without cause by a two-thirds (2/3rds) vote of the Board of Directors and shall serve only so long as they shall remain members in good standing of the Hawai'i Island REALTORS® and the Multiple Listing Service. Vacancies in the unexpired terms of any representatives shall be appointed by the President to serve the unexpired term, subject to confirmation by the Board of Directors.

**ARTICLE XX – Hawai'i Association of REALTORS®
Appointment of Directors and Committee Members**

Section 1 - Member Board Representative. The President of Hawai'i Island REALTORS® will serve as a Member Board Representative to the Hawai'i Association of REALTORS®' Board of Directors. The Member Board Representative shall serve all members of the Hawai'i Association of REALTORS®. The representative so named shall be subject to removal with or without cause by a two-thirds (2/3rds) vote of the Board of Directors and shall serve only so long as they shall remain members in good standing of the Hawai'i Island REALTORS® and the Hawai'i Association of REALTORS®. Vacancies in the unexpired terms of any Director shall be appointed by the Hawai'i Association of REALTORS® President to serve the unexpired term, subject to confirmation by the Hawai'i Island REALTORS®' Board of Directors.

Section 2- Member Board Director(s) At Large. The Hawai'i Association of REALTORS® grants Director at Large seats on the Hawai'i Association of REALTORS® Board of Directors as defined by membership size with the Hawai'i Association of REALTORS®. The Directors at Large shall serve all members of the Hawai'i Association of REALTORS®. The Hawai'i Island REALTORS®' President-Elect shall fill the first of the seats. In the month of August or on notification from Hawai'i Association of REALTORS®, any additional Director(s) at Large shall be appointed by the Hawai'i Island REALTORS® President, with the concurrence of the President-Elect, subject to confirmation by the Board of Directors. The Candidate for any additional Director at Large seats shall be REALTOR® Members in good standing and shall have served as a Committee Chair, Task Force Chair, Officer or Director of the Hawai'i Island REALTORS® or served as a Hawai'i Association of REALTORS® Committee Member, Committee Chair, Officer or Director within the five (5) years previous to the term to be served as Director at Large. The representatives so named shall be subject to removal with or without cause by a two-thirds (2/3rds) vote of the Hawai'i Island REALTORS® Board of Directors and shall serve only so long as they shall remain members in good standing of the Hawai'i Island REALTORS® and the Hawai'i Association of REALTORS®. Vacancies in the unexpired terms of any Hawai'i Association of REALTORS® Director shall be appointed by the Hawai'i Island REALTORS® President to serve the unexpired term, subject to confirmation by the Hawai'i Island REALTORS®' Board of Directors.

Section 3 - Member Board HAR Committee Appointments. In the month of August the President of Hawai'i Island REALTORS®, with the concurrence of the President-Elect, subject to confirmation by the Board of Directors, shall submit committee and task force candidate recommendations to the Hawai'i Association of REALTORS® Board of Directors for the upcoming year.

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