
**BYLAWS
OF THE
PIKES PEAK ASSOCIATION OF REALTORS®, INC.**

As revised January 16, 2007

**ARTICLE I
Name**

- Section 1.** **Name:** The name of this organization shall be the Pikes Peak Association of REALTORS®, Inc., 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
Scope**

- Section 1.** **The scope of these Bylaws:** These Bylaws shall govern the conduct and activities of the Association and all of its committees. Committees of the Association, whether now existing or hereafter created, may adopt rules and regulations for self-governing the affairs of such committees, provided such rules and regulations so adopted are not inconsistent or in conflict with these Bylaws and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®. Committees adopting rules and regulations shall have said rules and regulations ratified by the Board of Directors within 30 days subsequent to the adoption thereof.

**ARTICLE III
Objectives**

- Section 1.** **The objectives of the Association are:**
- a. To unite those engaged in the recognized branches of the real estate profession in the community related interests. for the purpose of exerting a beneficial influence upon the profession and
 - b. 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®.
 - c. 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.
 - d. To further interest in home and other real property ownership.

Section 5. To unite those engaged in the real estate profession in this community with the Colorado 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, those individuals authorized to use the term "REALTOR®" and "REALTORS®" as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IV Jurisdiction

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is the entire State of Colorado.

Section 2. Territorial jurisdiction is defined to mean:

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

ARTICLE V Membership

Section 1. There shall be eight 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 Colorado or a state contiguous thereto. 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 or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership in a local Board/Association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(c) 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 board 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. Note: REALTOR® Members may obtain membership in a "secondary" Board 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, Section 1 (a) (5).
 3. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) **except:** obligations related to board 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 board, state association and National Association.
 4. 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 Board dues as established in Article XII of the Bylaws. The "Designated REALTOR® must be 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.
 5. Individuals who are actively engaged in the real estate profession other than as principals, 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 REALTOR® Member of the Association, and must maintain a current, valid real estate Broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the bylaws and rules and regulations of the Association, the bylaws of the State Association and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the committee and shall agree in writing that if elected to membership he will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the constitution, bylaws, and rules and regulations of the local, State and National Associations. The Board of Directors may classify REALTOR® Members according to their respective professional specialties.
 6. Only REALTOR® Members in good standing with the Association may use the term "REALTOR®."
- b. Primary and Secondary Members: Primary members must be licensed in the State of Colorado and maintain a principal place of business in the state or state contiguous thereto. Licensees affiliated with a primary REALTOR® firm may choose, as their primary Board/Association, any Board/Association in the State where the firm maintains a Designated REALTOR® membership. Secondary membership in this Association will be

available on terms and conditions no more stringent than the membership requirements for a Designated REALTOR® member. The privileges of secondary membership shall include the right to vote and hold office. Secondary membership will be granted to individuals who hold REALTOR® membership in their primary Board/Association without any requirement that their Designated REALTOR® be licensed, affiliated or hold membership in this Association. Real Estate Information Services (REIS) will only be available to secondary members if the Designated REALTOR® is a Participant in PPAR's REIS.

- c. **Institute Affiliates:** 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® or REALTOR®-Associate membership, subject to payment of applicable dues for such membership. Institute Affiliate members shall have the rights and privileges of REALTOR® membership, but shall not have the right to use the term "REALTOR®", to serve as Chairman of the Board of the Association, or to be a Participant in the Association's REIS. Any individual in the office of a Designated REALTOR®, who is a designee of a qualified affiliate, may join the Association as an Institute Affiliate Member rather than a REALTOR® Member.
- d. **Affiliate Members:** Affiliate Members shall be firms or individuals directly related to the real estate profession and/or providing a major service to said profession. This membership category is limited to banks, lending institutions, title companies, and Appraisers.
- e. **Public Service Members:** Individuals who are interested in the real estate profession as employees of or who are affiliated with educational, public utility, governmental or other similar organizations but are not engaged in the real estate profession on their own account or in association with an established real estate business.
- f. **Honorary Members:** An Honorary Member must be an individual not actively engaged in the real estate profession who has rendered conspicuous and outstanding service to the real estate industry or the community and to this Association. Such individual must be recommended to the Board of Directors and voted to membership by the Board of Directors. Honorary membership shall be affirmed annually by the Board of Directors.
- g. **Student Members:** A Student Member must be an individual who is seeking an undergraduate or graduate degree with a specialization or major in real estate at an institution of higher learning and who has completed at least two years of college and at least one college-level course in real estate, but is not engaged in real estate practice on his own account or is not associated as a licensee with an established real estate office.
- h. **During the term of the President of CAR,** he/she shall automatically become a REALTOR® Member in the Pikes Peak Association of REALTORS®. Application fees and dues for the President of CAR shall be waived.

Section 2. Membership Conditions:

- a. Memberships in the Association are held only by specific individuals and are not transferable.

- b. Only REALTOR® Members are eligible to vote and hold elective office in the Association.

ARTICLE VI
Application, 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 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 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 Pikes Peak Association of REALTORS®, as from time to time amended, and (2) that applicant consents that the Association, through its Board of Directors or otherwise, may invite and receive information and comment about applicant from any Members or other persons, and that applicant agrees that any information 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, upon filing the 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 Board of Directors that the applicant 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 the State of Colorado 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 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, Bylaws and the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, shall pass such reasonable and non-discriminatory written examinations thereon as may be required by the Board of Directors, and shall agree that, if elected to membership, will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

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

requirement within sixty days of the date of application will result in denial of the membership application.

2. Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTOR®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences. Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed. Members suspended for failing to meet the requirement for the first four (4)-year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05)

- b. An applicant for Institute Affiliate Membership joins at the national level through one of the commercial Institutes, Societies and Councils affiliated with the National Association of REALTORS®. Institute Affiliate Membership applies to individuals who hold ALC, CCIM, CPM, CRE, or SIOR designations or a class of membership in one or more NAR commercial Institutes, Societies and Councils (commercial Affiliates) that confers the right to hold office.

Section 3. Election: The procedure for election to membership shall be as follows:

- a. The Board of Directors shall determine whether the class of membership for which an applicant is applying is one for which he would be eligible if otherwise possessing the qualifications for membership. If the Committee so determines in case of a Designated REALTOR® applicant, it may give written notice to all REALTOR® Members of such application and invite written comment thereon. If one or more REALTOR® Member object to the approval of the application, basing such an objection on lack of qualification as set forth in these Bylaws, the Board of Directors shall invite any objecting Member to appear at a time and place designated by the Committee in the presence of the applicant and substantiate such objections. Objections which are not substantiated shall be totally disregarded. The Committee may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting Member, and (2) giving the applicant a full opportunity to appear before the Committee and establish their qualifications. The Committee shall thereafter make a written record of its findings. The Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Association.
- b. Thereafter, at the next regular meeting of the Directors, the Board of Directors shall report its recommendation to the Board of Directors in writing. If the recommendation is

adverse to the approval of the application, the reasons therefore shall be specifically stated. If any Member of the Board of Directors submits a dissenting recommendation, it shall also be in writing and transmitted to the Board of Directors.

- c. The Board of Directors shall review the qualifications of the applicant and the recommendation of the Board of Directors and then vote on the applicant's eligibility for membership. If applicant receives a majority vote of the Board of Directors, the applicant shall be declared elected to membership and be so advised by notice in writing. An application for any class of membership shall be acted upon by the Board of Directors as soon as practicable, but not longer than sixty (60) days from the date of application for membership.
- d. The Board of Directors may not reject an application without first giving the applicant an opportunity to appear before it to be advised in writing of the findings and recommendations of the Board of Directors, to call witnesses in the applicant's behalf, to be represented by counsel and to make relevant statements. The Board of Directors may also have counsel present. The Board of Directors shall cause written minutes to be made of any hearing on membership or may electronically or mechanically record the proceedings.
- e. If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Board of Directors. If the Board of Directors believes that applicant may resort to legal action because of rejection of his application, it may specify that rejection 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 rejection violates no rights of applicant.

ARTICLE VII

Changes in Membership Status

Section 1. Designated REALTOR® ceasing to do business:

- a. When a Designated REALTOR® of this or any other Board or Association ceases doing business as a Broker of Record, the Designated REALTOR's® membership shall be suspended without prejudice. All Primary or Secondary members associated with the Designated REALTOR® shall also be suspended without prejudice.
 - 1. Any suspended Member may immediately associate with another Designated REALTOR® and be reinstated as a Member provided all financial obligations to the Association are current.
 - 2. The former Broker of Record (Designated REALTOR®) may apply for Inactive Status (Article V, Section 3) if he qualifies under Section 5 of this Article.

Section 2. Continuing services during change in brokers:

- a. In the event of a change in the Broker of Record of a REALTOR® firm, the Designated REALTOR's® membership is not transferable. Services to the REALTOR® firm may be continued for a period not to exceed five (5) working days from the date the Designated REALTOR® leaves the company unless within that time, the new Broker of Record applies for Primary or Secondary membership as a Designated REALTOR®. The new applicant for Designated REALTOR® Membership must be published to the membership,

be approved by the Board of Directors at its next scheduled meeting and be approved by the Board of Directors to maintain uninterrupted services.

Section 3. Change in status of REALTOR® Members:

- a. When a REALTOR® Member other than a Designated REALTOR® is no longer licensed with a Designated REALTOR®, his membership is automatically dropped to Inactive Status for the balance of the dues year. In the event the REALTOR® associates with another Designated REALTOR®, the REALTOR's® Membership is reinstated upon receipt by the Association of written notice of association from the Designated REALTOR® provided all accounts due the Association are paid in full.
- b. It is the obligation of each Primary and Secondary Member to keep the Association informed as to the changes in status of their real estate license. The Association must be informed of all additions and deletions of Designated REALTOR's® licensees within 30 days.
- c. A REALTOR® Member (non-principal) who becomes a principal in the firm with which they have 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 30 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. NOTE: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Board's Bylaws.

Section 4. Suspension or revocation of a Primary or Secondary REALTOR® Member's Real Estate's license:

- a. Concurrent with the suspension or revocation of a Primary or Secondary REALTOR® Member's license or certification by the Colorado Division of Real Estate shall be the suspension with prejudice of such Member's membership in this Association. During any period of suspension, the Board of Directors shall review the facts surrounding the cause of suspension or revocation of the Member's license or certification and make its recommendation to the Board of Directors concerning the disposition of the Member's status in this Association. Upon receipt of the recommendation of the Board of Directors, the Board of Directors shall follow the same procedures as for admission to membership before any final action is taken.

Section 5. Inactive Status:

- a. Only Designated REALTORS® are qualified to apply for Inactive Status. Such application shall be in writing, setting forth the reasons for the request. The Board of Directors shall review the request to determine that it satisfies the requirements of this section and make its recommendation to the Board of Directors who shall act at their next scheduled meeting.
- b. A Designated REALTOR® Member whose license is inactive with the Colorado Real Estate Commission, who is no longer in the real estate business within the State of

Colorado, who is not a Member of another Board/Association, and who has satisfied all financial obligations with the Association is eligible for Inactive Status. Inactive Status may be granted by the Board of Directors for two (2) years plus the balance of the year in which Inactive Status is approved. A Member on Inactive Status is not required to pay dues.

- c. REALTOR® Members other than Designated REALTORS® who are no longer associated with a Designated REALTOR® are automatically placed on Inactive Status and are dropped from membership at the end of the dues year.
- d. When a former Designated REALTOR® on Inactive Status desires to reinstate active membership as a Designated REALTOR®, a new application must be submitted to the Association accompanied by payment of the appropriate dues for the current year for which application will be processed in accordance with Article VI of these Bylaws. No membership application fee will be required provided the applicant had previously complied with the Inactive Status requirements of this Article.
- e. A Member on Inactive Status may be reinstated to active membership as a Designated REALTOR® at any time during the allowed period of Inactive Status by request to the Board of Directors and must seek reinstatement if such Member becomes actively engaged in the real estate business within the Association's jurisdiction.
- f. If a Member on Inactive Status does not request reinstatement to Designated REALTOR® Status during the period of the Inactive Status, and later desires to rejoin the Association, Membership shall be applied for in the same manner as prescribed in Article VI for new applicants.

Section 6. Definitions:

- a. **Suspension:** With reference to membership in the Pikes Peak Association of REALTORS®, the term "suspension" in these Bylaws shall mean to temporarily stop all services and privileges until reinstatement to REALTOR® Membership.
- b. **Terminate:** With reference to membership in the Pikes Peak Association of REALTORS®, the term "terminate" in these Bylaws shall mean to end or discontinue membership in the Association. A terminated Member cannot be reinstated but must reapply for membership.

**ARTICLE VIII
Privileges and Obligations**

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

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTOR® Members 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 to conduct their business and professional practices accordingly. Further, Members other than REALTOR® Members may, upon recommendation of the Board of Directors or upon recommendation by a hearing panel of the Professional Standards

Division, 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 inconsistent with or adverse to the objectives and purposes of the Pikes Peak Association of REALTORS®, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

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

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

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

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

Section 6. REALTOR® Members:

- a. REALTOR® Members whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association.
- b. Only REALTOR® Members may use the terms REALTOR® or REALTORS® which use shall be subject to the provisions of Article X.
- c. REALTOR® Members have primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate professions.
- d. If a Designated REALTOR® is suspended or expelled from the Association, the firm, partnership, corporation, or trust of which he is the Broker of Record shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until reinstated to Designated REALTOR® Membership, or unless connection with the firm, partnership, corporation, or trust is severed, whichever may apply. The membership of a REALTOR® Member other than Designated REALTOR® shall be suspended during the period of suspension or termination of the Designated REALTOR®, unless application by a new Broker of Record is made within five (5) working days of such suspension or termination, or the REALTOR® Member (non-principal) elects to sever connection with the firm, partnership, corporation, or trust and affiliate with another Designated REALTOR® in good standing in the Association. If a REALTOR® Member (non-principal) is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, corporation, or trust shall not be affected.

- e. In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(d) 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 VIII, Section 6(d) apply.

Section 7. Secondary Members: Secondary Members shall have all of the rights and privileges and shall be subject to all the obligations of Primary Members, including the right to vote and hold elective office.

Section 8. 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®.

Section 9. Affiliate Members: Affiliate Members shall have all the privileges of active Members except the right to vote, hold elective office, serve as chairman of a committee or attend Board of Directors meetings.

Section 10. Public Service Members: Public Service Members shall have no rights or privileges whatsoever.

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

Section 12: Certification of Licensees: Designated REALTOR® Members of the Association shall certify to the Association during the month of May, on a form provided by the Association, a complete listing of all individuals licensed with that Designated REALTOR's® firm(s) within the state and shall designate a Primary Association/Board for each individual. These declarations shall be used for purposes of calculating dues under Article XII, Section 2(a) of the Bylaws. Designated REALTOR® Members shall also notify the Association of any additional individual licensed or certified with the firm within 30 days of affiliation.

ARTICLE IX

Professional Standards and Arbitration

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

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

ARTICLE X

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 06/2006)
- 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 or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.
- Section 3.** A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members or Institute Affiliate Members as described in Article V, Section 1(c).
- 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.
- Section 4.** Institute Affiliate Members shall not use the terms REALTOR® or REALTORS® or the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XI

State and National Memberships

- Section 1.** The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and of the Colorado Association of REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Colorado Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.
- Section 2.** The Association recognizes the exclusive property right of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.
- Section 3.** The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its

Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Colorado Association of REALTORS®.

ARTICLE XII Dues and Assessments

Section 1. Application fee:

- a. The Board of Directors may adopt an application fee for all categories of Membership, not to exceed three times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for membership and which shall become the property of the Association upon final approval of the application.
- b. The Board of Directors may not establish any additional initiation/application fees or dues for Institute Affiliate Membership but may provide service packages to which Institute Affiliate Members may voluntarily subscribe for an additional charge.

Section 2. Dues:

a. REALTOR® Members:

1. The annual dues of each Designated REALTOR® Member shall be the amount set by the Board of Directors plus an amount equal to an amount set by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Board/Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association.

In calculating the dues payable to the Board by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues on said non-member licensees in another Board/Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Board/Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this board.

(1) 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 or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section I, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in soliciting and/or referring clients or customers to the REALTOR® or his firm on a substantially exclusive basis or

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®.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

2. All licensees must be accounted for within one month following the due date of a Designated REALTOR's® dues. The Designated REALTOR® is required to keep the Association records current as to all licensees affiliated or employed with his company. Failure to notify the Association of a new licensee within 30 days of affiliation or employment shall subject the Designated REALTOR® to a penalty of twice the amount of dues owed from the first date of the current fiscal year, until paid.
- b. Association dues for Secondary Members shall be the same as for Primary Members except shall not include an allocation for the State and National Associations.
- 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 REALTOR®.
- d. **Affiliate Members:** The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.
- e. **Public Service Members:** The annual dues of each Public Service Member shall be in such amount as established annually by the Board of Directors.
- f. **Student Members:** The annual dues of each Student Member shall be established by the Board of Directors for membership in this Association.
- g. **Honorary Members:** There will be no annual Association dues charged an Honorary Member.

Section 3. Dues Billing and Collection: Dues as defined in Section 2 of this Article XII shall be billed in July of each year, commencing in 1989, in advance of the Association fiscal year. The membership year shall be from October 1 to September 30. Annual dues shall be due and payable on the first day of August of each year. Any interim non-Member licensee assessments for

Designated REALTOR® dues will be billed as necessary and payable in accordance with Section 6 of this Article. Prorated dues for new applicants are due at the time of application along with the membership entry fee.

Section 4. Nonpayment of dues:

- a. Annual dues of the Designated REALTOR® as described in Section 2.a.1. of this Article which are not paid in full by September 1 of each year will be subject to a late charge established by the Board of Directors. If annual dues are not paid by October 1 of each year then the REALTOR's® membership shall on that date be automatically suspended and all Association services shall cease. If such dues are not paid in full by November 1 of each year then the Designated REALTOR® shall be automatically terminated from membership. Former Members who have had their membership terminated may re-apply for membership in the same manner prescribed for new applicants for membership, after making payment in full of all accounts due to the Association.
- b. Annual dues of a REALTOR® Member (other than a Designated REALTOR®) as described in Section 2.a.1. of this Article which are not paid in full by September 1 of each year shall be late and subject to a late charge established by the Board of Directors. If a REALTOR® Member's dues are not paid by October 1 of each year then the REALTOR® Member's membership shall be automatically terminated. The status of a terminated REALTOR® Member shall be changed to that of a Non-Member licensee. The Designated REALTOR® affiliated with a non-Member licensee must account for all licensees as prescribed in Section 2.a.1. of this Article. A REALTOR® Member who has been terminated from membership may re-apply for membership in the same manner prescribed for new applicants for membership after making payment in full of all accounts due to the Association.

Section 5. Monthly dues assessment: A monthly dues assessment for unforeseen operating expenses of the Association may be assessed against each Designated REALTOR®. Such assessment shall be expressed in a given dollar amount times the number of licensees employed by or affiliated with such Designated REALTOR® at the discretion of the Board of Directors. Such dues assessments shall be payable in advance on the first day of the month for which the assessment applies.

Section 6. Monthly Association billings: Designated REALTOR® Members shall be billed monthly for all Association charges. Such billings shall be due and payable by the end of the month in which the billing is mailed. Statements not paid in full by the tenth (10th) of the following month shall be delinquent, and all Association services shall be suspended. If the tenth falls on a weekend or an Association-recognized holiday, the account will become delinquent at the end of the first working day following the tenth. To reinstate services, the Member shall pay the delinquent amount plus a reinstatement fee which shall be set by the Board of Directors.

Section 7: Deposit of Association funds: All monies received by the Association for any purpose shall be deposited to the credit of the Association. All such monies received by the Association are to be kept, deposited and/or invested to the best interest of the Association at the prudent and responsible discretion of the Board of Directors, taking into account such factors as adequate liquidity, safety, and maximum return consistent with prudent and conservative management. A vote of two-thirds of the voting Members of the Board of Directors shall be required to authorize deposit or investments in other than federally insured accounts.

Section 8. Expenditures: The Board of Directors shall administer the finances of the Association. The Board of Directors shall not have the authority to obligate the Association by reason of signing notes or mortgages without the approval of the general membership.

Section 9. Contributions from Association funds: Anything to the contrary herein notwithstanding, no contributions shall be made from Member application fees and dues for the direct support of any candidate for public office or for the support or defeat of a political ballot issue.

Section 10. The Board of Directors shall establish and assure adherence to budget policy whereby anticipated expenditures shall not exceed anticipated income, which may include a maximum of ten percent (10%) of existing liquid reserves. Included in the budget shall be an allocation of not less than one percent (1%) of anticipated revenues to be placed in the Association Reserves. This requirement may be waived when the amount in the reserve exceeds fifty percent (50%) of the annual budget for the fiscal year. The Board of Directors shall not budget capital expenditures from reserve funds in excess of ten percent (10%) of existing reserves for any individual capital expenditure without membership approval.

ARTICLE XIII Officers and Directors

Section 1. Officers: The elected Officers of the Association shall be a Chairman of the Board and a Chairman-Elect, who shall be elected for terms of one year, with exception of the Chairman-Elect who will serve one year as Chairman-Elect and the next year serve as Chairman of the Board. The term of each Officer shall commence on the first day of October each year.

Section 2. Duties of Officers: The duties of the Officers shall be such as their titles, by general usage, would indicate and such other and further duties as may be designated and assigned to them by the Board of Directors. The Chairman-Elect shall perform the duties of the Chairman of the Board in the absence of the Chairman of the Board.

Section 3. Board of Directors:

- a. The governing body of the Association shall be a Board of Directors consisting of the elected Officers, the immediate Past Chairman of the Board, and thirteen (13) REALTOR[®] Members of the Association. The immediate Past Chairman of the Board shall be a Director for one year following a term as Chairman of the Board. The Chairman-Elect and immediate Past Chairman of the Board shall also be Colorado Association of REALTORS[®] (CAR) Directors.
- b. Twelve (12) Directors shall be elected for a term of three years. Nine (9) of these Directors shall be elected as PPAR Directors. Three (3) of these Directors shall be elected as PPAR and CAR Directors. Each year the term of three (3) of the nine PPAR Directors and one of the PPAR/CAR Directors shall expire, and four Directors shall be elected to fill these vacancies. As many Directors shall be elected each year as are required to fill all vacancies.
- c. One Director shall be PPAR's locally-elected NATIONAL ASSOCIATION OF REALTORS[®] (NAR) Director. This PPAR/NAR Director will be elected for a one-year term.
- d. The term of each Director shall commence on the first day of October following such Director's election
- e. The sixteen (16) member Board of Directors shall be made up from REALTOR[®] Members only. Not more than two persons from any one firm, including branch offices, wholly owned or subsidiary companies, may serve as members of the Board of Directors.

- f. In the event that any Director moves their license, either by merger or changing companies, which would create a situation where there would be more than two Directors from any one company, said Director would serve until the next regular election. The balance of the term that the vacancy created shall be filled at the next annual election. If there is a question as to which Director must resign, the Director with the longest unfulfilled remaining term shall resign.
- g. The Board of Directors shall give 60 days notice to the membership prior to: 1) creating any subsidiary organizations whether for profit or non-profit; 2) contracting for services and/or making policy changes that materially affect the manner or cost of doing business by the individual REALTOR® member.

Section 4. Election of Officers and Directors:

- a. At least 30 days before the Annual Election, the Chairman of the Board shall appoint a Nominating Committee with the approval of the Board of Directors consisting of five REALTOR® Members of whom at least two shall not have been Chairman of the Board of this Association within the preceding five years. The Nominating Committee shall select by secret ballot at least one candidate for each Officer position except Chairman of the Board, and at least one candidate for each Director position, including any vacancy created during the year. The position of Chairman of the Board shall be assumed by the Chairman-Elect of the previous year following the expiration of the Chairman of the Board's term. The report of the Nominating Committee shall be announced in an official Association publication of general circulation at least fifteen (15) days prior to an election. Additional candidates for Officer or Director on the Board of Directors may be placed in nomination by petition of at least ten percent (10%) of the Active Members. The petition shall be filed with the Executive Officer at least ten (10) days before the election. The Executive Officer shall send notice of such additional nominations to all REALTOR® Members before the election. A Member of the Nominating Committee may not be a candidate for any elective position.
- b. The election of Officers and Directors shall take place at the Annual Meeting. The election shall be by secret ballot, cast in person at the election, or by absentee ballot cast in person or by mail on a ballot provided by the Association and filed by the individual Member with the Chief Executive Officer at least one working day prior to the election.
- c. The Chairman of the Board, with the approval of the Board of Directors, shall appoint an Election Committee of three REALTOR® Members to conduct the election. In the event there be more than one candidate for a single office, the candidate receiving the greatest number of votes shall be declared elected. In case of a tie vote, the issue shall be determined by lot.

Section 5. Vacancies: Vacancies among the Officers and Board of Directors shall be filled by a simple majority vote of the Board of Directors; members so elected to fill a vacancy shall serve out the remainder of the expired term.

Section 6. Removal of Officers and Directors: In the event that an officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

- a. A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the Chairman of the Board, or if the Chairman of the Board 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 Chairman of the Board of the Association unless the Chairman of the Board '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 of office.

ARTICLE XIV Chief Executive Officer (CEO)

- Section 1. Employment:** The Board of Directors may employ a Chief Executive Officer (CEO).
- Section 2. Duties:** The Chief Executive Officer (CEO) shall have and perform duties as specified by the Board of Directors. A general outline of Chief Executive Officer's (CEO) duties shall be set out in a job description approved by the Board of Directors.
- Section 3. Bonding:** The Chief Executive Officer (CEO) and each Member of the Association staff shall be covered by a position bond at Association expense in the amount of no less than twenty-five thousand dollars (\$25,000.00) per incident, covering their faithful performance of duty.

ARTICLE XV Meetings

- Section 1. Annual Meeting:** An Annual Meeting of the Association shall be held no earlier than August 1st or no later than October 1st of each year at a date, time, and place to be designated by the Board of Directors.
- Section 2. Installation of Officers and Directors:** An annual installation shall be held for the purpose of installing Officers and Directors, the date, time, and place to be designated by the Board of Directors. The Board of Directors may, at its sole option and discretion, cancel up to three of its regularly scheduled board meetings per fiscal year.
- Section 3. Meetings of the Board of Directors:** The Board of Directors shall meet monthly during each fiscal year, which meetings shall be held at the principal office of the Association. The Board of Directors shall designate a regular day and time for the meetings. In addition to regular monthly meetings, the Board of Directors shall meet at least four (4) times per year as a Strategic Planning Committee. Meetings shall be set by the Chairman of the Board and held upon at least thirty (30) days written notice to the Directors.
 - a. Absence by a Director from a total of four (4) meetings, including both regular Directors' meetings and Strategic Planning meetings, shall be construed as a resignation from the Board of Directors.

- b. Special meetings of the Board of Directors may be called by the Chairman of the Board or at least three (3) voting Officers and/or Directors upon written request of the Chairman of the Board. At least one (1) day's notice shall be given to each Director for any special meeting, which notice shall state the purpose of the special meeting.

Section 4. General Membership Meetings: Meetings of the membership may be held at such time and place as the Chairman of the Board or the Board of Directors may determine or upon written petition of at least ten percent (10%) of the Active Members.

- a. Written notice shall be given to the membership in an official Association publication at least one week prior to any membership meeting called for the purpose of conducting business. The notice shall identify all items to be included on the agenda. The agenda shall be structured as recommended in the Robert's Rules of Order, latest edition, "Usual Order of Business". Any member who properly obtains the floor may introduce any item under new business. New business not on the agenda will not be decided upon at this meeting. The membership shall decide by simple majority vote to place the item on the agenda for the next meeting.
- b. A quorum for the transaction of business at any general membership meeting shall consist of five percent (5%) or 100 active members, whichever is greater.
- c. Voting by proxy or absentee ballot shall not be allowed except as addressed in Article XIII, Section 4 b.

ARTICLE XVI

Committees

Section 1. Standing committees:

- a. The Chairman-Elect, prior to assuming office as Chairman of the Board in the ensuing year, shall appoint from among the REALTOR® Members, subject to confirmation in October by the Board of Directors, chairpersons of the following standing committees. The Chairman of the Board and Chairpersons may jointly appoint the members of the committees:
 - Board Development
 - Community Relations
 - Election
 - Government Affairs
 - Member Linkage
 - Professional Standards (including Arbitration, Mediation & Grievance)
- b. Staff Functions (Task Forces/Committees):
 - Education
 - Finance and Membership
 - Investment
 - Housing Opportunities
 - Leadership Development
 - Member Benefits
 - Orientation
 - Risk Reduction/Equal Opportunity
 - Strategic Planning
- c. Forums:

Brokers Council
Company Broker Forum
Exchangers
Farm and Ranch
REALTORS® Commercial Industrial Society
Women's Council of REALTORS®

- d. Notwithstanding any other provisions of these Bylaws, the Board of Directors may from time to time add or delete committees as they deem necessary.

Section 2. Taking office: Committee members appointed shall assume their duties subsequent to the first day of the month following approval by the Board of Directors.

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

- a. The Arbitration, Professional Standards, and Grievance Committees shall be of the number of REALTOR® Members set forth in the Professional Standards and Arbitration Manual.
- b. A quorum for the Professional Standards and Arbitration hearings shall be as prescribed in the Professional Standards and Arbitration Manual.

Section 4. Committee rules:

- a. Committee actions and recommendations shall be reported to the Board of Directors.
- b. At meetings, a quorum shall consist of not less than two (2) committee members.

Section 5. Ex-Officio Members: The Chairman of the Board and Chairman-Elect shall be ex-officio members of all standing committees and shall be notified of their meetings.

ARTICLE XVII

Fiscal and Elective Year

Section 1. The fiscal and elective year of the Association shall begin October 1 and end September 30.

ARTICLE XVIII

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 XIX

Amendments

- Section 1.** The Bylaws may be amended by majority vote of the REALTOR® Membership present and qualified to vote at any general membership meeting at which a quorum is present. However, the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy. Such amendments shall include changes in the recommended Model Bylaws of the NATIONAL ASSOCIATION OF REALTORS®. The substance of Article XI may be amended only by a majority vote of all REALTOR® Members.
- Section 2.** Notice of all meetings at which such amendments are to be considered shall contain verbatim amendments and shall be distributed to the REALTOR® voting Members at least fifteen (15) days prior to the meeting to consider the amendments.
- 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 XX
Corporate Seal**

- Section 1.** The corporate seal of the Association shall consist of the name of the corporation in a circle with the words "Colorado" and "Seal" and the year of incorporation (1954) within the circle.

**Article XXI
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 Colorado Association of REALTORS®, or within its discretion, to any other non-profit tax-exempt organization.

**ARTICLE XXII
Personal Property, Liability, and Indemnification**

- Section 1.** The private property of a Member, Officer, or Director shall not be subject to the payment of any debt of the corporation.
- Section 2.** The personal liability of a Director to the corporation or to its Members for monetary damages for breach of fiduciary duty as a Director is eliminated or limited to the fullest extent permitted by law.
- Section 3.** There are no provisions limiting the indemnification of Directors of the corporation as the same is defined by law, against liability or expenses incurred in any proceeding in which such Director is or was made a party to the proceeding because of being a Director. Indemnification shall be made to the fullest extent permitted by law.

**ARTICLE XXIII
Real Estate Information Services (REIS)**

(formerly Multiple Listing Service)

Section 1. Authority: The Pikes Peak Association of REALTORS® shall maintain a REIS for the use of its Members. This service shall be operated by a lawful corporation, if the State of Colorado, all of the stock of which shall be owned by this Association.

Section 2. Purposes: A REIS is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting either as agents, subagents, buyer agents, or transaction brokers); 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).

Section 3. Governing Documents: The Board of Directors shall cause the subsidiary corporation established by it pursuant to this Article to conform its Articles of Incorporation, Bylaws, Rules, Regulations, Policies, Practices, and Procedures at all times to the laws of the State of Colorado and to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Participation:

- a. Where the term REALTOR® is used in connection with the word "Member" or the word "Participation," it shall be construed to mean the REALTOR® principal or principals of this or any other Association, or a firm comprised of REALTOR® Principals participating in a REIS owned and operated by a subsidiary of the Association. It shall not be construed to include individuals other than a principal or principals who are REALTOR® Members of this or any other Board/Association, or who are legally entitled to participate without Association membership. However, under no circumstances is any individual or firm, regardless of membership status, entitled to REIS "Participation" unless they hold a current, valid real estate broker's license and are capable of offering and accepting compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.

Use of information developed by or published by the Association REIS is strictly limited to the activities authorized under a Participant's licensure(s) or certification; unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation" or any right of access to information developed by or published by the Association REIS, at its discretion, from categorizing non-principal brokers, sales licensees, licensed and certified appraisers and others affiliated with the REIS "Participants" as "users" or "subscribers" and, holding such individuals personally subject to the Rules and Regulations and any other governing provisions of the REIS and to discipline for violations thereof.

- b. Where the terms "subscriber" or "user" are used in connection with the subsidiary corporation owned by the Association, they refer to non-principal brokers, sales licensees, and licensed and certified real estate appraisers affiliated with a REIS Participant.
- c. REIS participatory rights shall be available to any REALTOR® (principal) or any firm comprised of REALTORS® (principals) irrespective of where they hold primary membership subject only to their agreement to abide by the REIS rules or regulations; agreement to arbitrate contractual disputes with other Participants; and payment of any

REIS dues, fees, and charges, which shall not exceed those assessed Participants who hold REALTOR® membership locally.

Section 4. **Supervision:** The REIS shall be operated under the supervision of the subsidiary corporation in accordance with its Rules and Regulations, subject to the approval of the Board of Directors.

ARTICLE XXIV
Severability

Section 1. These Bylaws shall be severable and should any part, term, or provision be by the courts decided to be illegal or in conflict with any law of the state of Colorado or the United States, the validity of the remaining portions or provisions shall not be affected thereby.