



HAWAI'I ASSOCIATION OF REALTORS®  
BYLAWS - 2020

Amended and Restated Bylaws of the HAWAI'I ASSOCIATION OF REALTORS®  
October 31, 2019 – Reviewed and approved by the Board of Directors

TABLE OF CONTENTS

PAGE

ARTICLE I - NAME AND OBJECTIVES ..... 1

    Section 1. Name ..... 1

    Section 2. Objectives ..... 1

ARTICLE II - MEMBERSHIP ..... 1

    Section 1. Classes of Membership ..... 1

    Section 2. Definition of Membership Classes ..... 1

ARTICLE III - DUES ..... 4

    Section 1. Application Fee ..... 4

    Section 2. Member Boards Dues ..... 4

    Section 3. Designated REALTOR® Members’ Dues ..... 4

    Section 4. REALTOR® AND REALTOR-ASSOCIATE® Members Dues ..... 5

    Section 5. Institute Affiliate Members’ Dues ..... 5

    Section 6. Setting the Dues Amounts ..... 5

ARTICLE IV - OFFICERS ..... 6

    Section 1. Elected and Appointed Officers ..... 6

    Section 2. President ..... 6

    Section 3. President-Elect ..... 6

    Section 4. First Vice President ..... 6

    Section 5. Treasurer ..... 6

    Section 6. Secretary ..... 6

    Section 7. Chief Executive Officer ..... 6

    Section 8. Execution of Documents ..... 7

    Section 9. Removal from Office ..... 7

    Section 10. Vacancies ..... 7

ARTICLE V - BOARD OF DIRECTORS ..... 7

    Section 1. Composition ..... 7

    Section 2. Dual Eligibility ..... 7

    Section 3. Vacancies ..... 8

    Section 4. Forfeiture of Office ..... 8

    Section 5. Number of Regular Meetings ..... 8

    Section 6. Special Meetings ..... 8

TABLE OF CONTENTS

(continued)

	<u>PAGE</u>
Section 7. Quorum .....	8
Section 8. Absences .....	8
Section 9. Removal from Office .....	8
ARTICLE VI – BOARD LEADERSHIP TEAM .....	9
Section 1. Composition .....	9
Section 2. Powers .....	9
Section 3. Meetings .....	9
ARTICLE VII - CONTRACTS, LIABILITY AND INDEMNIFICATION .....	9
Section 1. Conflicts of Interest .....	9
Section 2. Liability .....	9
Section 3. Indemnification .....	9
ARTICLE VIII - MEETINGS OF THE MEMBERSHIP .....	9
Section 1. Annual and Regular Meetings .....	9
Section 2. Special Meeting .....	10
Section 3. Quorum .....	10
Section 4. Voting .....	10
Section 5. Notice of Meetings .....	10
Section 6. Waiver of Notice .....	10
ARTICLE IX - COMMITTEES .....	10
Section 1. Standing Committees .....	10
Section 2. Task Forces .....	11
Section 3. Vacancies .....	11
ARTICLE X - ELECTION OF OFFICERS .....	11
Section 1. Time of Election .....	11
Section 2. Voting .....	11
Section 3. Eligibility .....	11
Section 4. Board Development Committee .....	11
ARTICLE XI - CODE OF ETHICS: PROFESSIONAL STANDARDS AND TRAINING .....	12
Section 1. New Member Code of Ethics Orientation .....	12
Section 2. Continuing REALTOR® Code of Ethics Training .....	12
Section 3. Discipline of REALTOR® and REALTOR-ASSOCIATE® Members .....	12
Section 4. Enforcement of the Code .....	13

TABLE OF CONTENTS

(continued)

	<u>PAGE</u>
Section 5. Code of Ethics.....	13
Section 6. Initial Procedure.....	13
Section 7. Jurisdiction.....	13
Section 8. Code of Ethics Manual and Arbitration Manual.....	14
Section 9. Resignation/Termination.....	14
Section 10. Discipline of REALTOR® Members.....	14
Section 11. Enforcement of the Code.....	14
ARTICLE XII - USE OF THE TERMS REALTOR® AND REALTOR-ASSOCIATE® AND THE HAWAI‘I ASSOCIATION OF REALTORS®.....	15
Section 1. Use of Terms.....	15
Section 2. REALTOR® Members.....	15
Section 3. REALTOR® Member who is a Principal of a Real Estate Firm.....	15
Section 4. REALTOR-ASSOCIATE® MEMBERS.....	15
Section 5. Institute Affiliate Members.....	15
Section 6. Use of the Name HAWAI‘I ASSOCIATION OF REALTORS®.....	15
ARTICLE XIII - NOTICES AND AMENDMENTS.....	16
Section 1. Notices.....	16
Section 2. Amendments by the Board of Directors.....	16
Section 3. Amendments Mandated by NAR.....	16
Section 4. Vote by Board Members.....	16
Section 5. Approval by the NATIONAL ASSOCIATION OF REALTORS®.....	16
ARTICLE XIV - AUDIT AND FINANCIAL STATEMENTS.....	16
ARTICLE XV - ACTION WITHOUT A MEETING.....	17
ARTICLE XVI - DISSOLUTION.....	17
ARTICLE XVII - MISCELLANEOUS.....	17
Section 1. Manner of Notice.....	17
Section 2. Retention of Local Control.....	17
Section 3. Gender.....	17

AMENDED AND RESTATED  
BYLAWS OF THE HAWAI'I  
ASSOCIATION OF REALTORS®

Effective: January 1, 2020

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## ARTICLE I - NAME AND OBJECTIVES

**Section 1. Name.** The name of this organization shall be the Hawai'i Association of REALTORS®.

**Section 2. Objectives.** The objectives of this Association shall be generally to serve as a trade association of REALTORS ® in the State of Hawai'i as described in and consistent with Section 501(c)(6) of the Internal Revenue Code, and specifically to unite local boards or associations (sometimes collectively referred to as "Boards") of REALTORS®, their members, and REALTOR® and REALTOR-ASSOCIATE® Members in the State of Hawai'i for the purpose of effectively exerting a combined influence upon matters affecting real estate, to elevate the standards of the real estate business throughout the State of Hawai'i and the professional conduct of persons engaged therein.

## ARTICLE II - MEMBERSHIP

**Section 1. Classes of Membership.** The Association shall consist of the following classes of members, as well as such other classes as the Board of Directors may determine from time to time: Member Boards, Association Members, REALTOR® Members, REALTOR-ASSOCIATE® Members and, Institute Affiliate Members.

### **Section 2. Definition of Membership Classes.**

2.1 A Member Board shall be an association chartered by the National Association of REALTORS® within the State of Hawai'i. All the REALTOR® and REALTOR-ASSOCIATE® Members who hold primary membership in a Member Board shall hold membership in this Association and the NATIONAL ASSOCIATION OF REALTORS®.

2.2 Association Members shall be either REALTOR®, a REALTOR-ASSOCIATE®, or Institute Affiliate members of a Member Board in good standing.

2.3 A REALTOR® Member shall be any individual engaged in the real estate profession as a principal, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s), and licensed or certified individuals affiliated with said REALTOR® Member whose place of business is located in an area outside the jurisdiction of any Member

Board and who meets the qualifications for REALTOR® membership established in subsection (a) below.

Secondary REALTOR® membership shall also be available to individuals who hold primary membership in an association in another state and who desire to obtain direct membership in the state association without holding membership in a local board/association in the state. In either case, such Member must be accepted as a Member in the Association in accordance with requirements set from time to time by the Board, including, but not limited to the following:

- (a)(i) 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 Board of Directors (or its appointed designee, i.e., Membership Committee) that he 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, has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws of the 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 Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.
- (ii) 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 (if applicable) for up to one (1) year from the date that the 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 the bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.
- (iii) No record of official sanctions involving unprofessional conduct is intended to mean that the Board may only consider:
  - A. Judgments against the applicant within the past three (3) years of violations of (1) civil right 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 (1) 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.
- (b)(i) 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 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 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 Membership Committee and shall agree in writing that if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.
- (ii) No record of official sanctions involving unprofessional conduct is intended to mean that the Board may only consider:
- A. Judgments against the applicant within the past three (3) years of violations of (1) civil right 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 (1) 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.

2.4 A REALTOR-ASSOCIATE® Member shall be any individual who is engaged in the real estate profession other than as a sole proprietor, partner, corporate officer or branch office manager and who does not qualify for or seek REALTOR® membership and who has been accepted as a Member in the Association in accordance with requirements set from time to time by the Board. Salespersons or licensed or certified appraisers who are employed by or affiliated as independent contractors with a REALTOR® Member of this Association shall be eligible for REALTOR-ASSOCIATE® membership. REALTOR-ASSOCIATE® membership shall also be available to individuals who hold primary membership in an association in another state and who

desire to obtain direct membership in this Association without holding membership in a Member Board in the State.

2.5 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 vote or 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.

## **ARTICLE III - DUES**

**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.

**Section 2. Member Boards Dues.** The annual dues of each member Board shall be (1) an amount as established by the Board of Directors annually times the number of REALTOR® and REALTOR-ASSOCIATE® Members who hold primary membership in the Board, plus (2) an amount as established by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with REALTOR® Members of the Board who are not themselves REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate Members. In calculating the dues payable by a member Board, nonmembers, as defined in the preceding sentence, shall not be included in the computation of dues if dues have been paid in another Board in the State, provided the Board notifies the Association in writing of the identity of the Board to which dues have been remitted.

**Section 3. Designated REALTOR® Members' Dues.**

- (a)(i) 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 certificate 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, 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 based on said non-member licensees in another association in the state, provided the 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 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 Association.

- (ii) 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, 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 the 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 s 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 of the entity.
- (iii) 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, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.
- (b) 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.
- (c) Membership dues shall be prorated for any licensee included on a certification form submitted to the Association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

**Section 4. REALTOR® AND REALTOR-ASSOCIATE® Members Dues.** The annual dues of REALTOR® or REALTOR-ASSOCIATE® Members other than the designated REALTOR® shall be as established annually by the Board of Directors.

**Section 5. Institute Affiliate Members' Dues.** The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

**Section 6. Setting the Dues Amounts.** The amount of annual dues for each class of membership shall be established by the Board of Directors pursuant to policies adopted no later than August 1 of the immediately preceding year.

## ARTICLE IV - OFFICERS

**Section 1. Elected and Appointed Officers.** The elective officers of the Association shall be a President, President-Elect, a First Vice President, a Secretary, and a Treasurer. Each officer shall be elected by a majority of Directors entitled to vote at a meeting at which a quorum of such Members is present. The President, President-elect, First Vice President and Secretary shall serve for a term of one (1) year or until their successors are elected and qualified. The Treasurer shall serve for a term of two (2) years or until his or her successor is elected and qualified. In the absence of the President, the President-elect shall perform his duties. The President shall not be eligible for a second or subsequent term of that office. There shall be a Chief Executive Officer, and such other appointed officers as may be determined from time to time by the Board of Directors, 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, compensation and other benefits.

**Section 2. President.** The President shall be the chief elected officer of the Association and shall preside at its meetings and those of the Board of Directors, between the meetings of which the President shall represent the Association and act in its name, subject only to the policies and instructions of the Board of Directors. The President shall perform all other duties usual or customary to such office or as may be delegated to him or her by the Board of Directors.

**Section 3. President-Elect.** The President-Elect shall perform the duties of the President in the event of the President's 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 be nominated for election as the President of the Association upon completion of his or her term as President-elect.

**Section 4. First Vice President.** The First Vice President shall perform the duties of the President-elect in the event of the President-elect's 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 First Vice President shall be automatically be nominated for election as the President-elect of the Association upon completion of the term as First Vice President.

**Section 5. Treasurer.** The Treasurer shall perform all duties usual or customary to such office or as may be delegated to him or her by the Board of Directors. The Treasurer shall provide a surety bond in such amount as the Board of Directors may determine, the cost to be paid by the Association.

**Section 6. Secretary.** The Secretary shall perform all duties usual or customary to such offices or as may be delegated to him or her by the Board of Directors.

**Section 7. Chief Executive Officer.** The Chief Executive Officer shall be the chief executive officer of the Association, and shall be in charge of and shall supervise the administrative staff. The Chief Executive Officer shall perform all duties usual or customary to such office or as may be delegated to him or her by the Board of Directors.

**Section 8. Execution of Documents.** All checks, drafts, notes, bonds, acceptances, deeds, leases, contracts, and other important instruments shall be executed on behalf of the Association by such person or persons as shall be designated and authorized by resolution adopted by the Board of Directors. In the absence of a resolution applicable to any such instrument, the instrument shall be executed on behalf of the Association by:

- (a) The President, the President-Elect or the First Vice President; and the Treasurer or the Secretary.
- (b) The Chief Executive Officer shall be authorized to sign contracts and other agreements, and to co- sign checks with any one of the aforementioned officers, the value(s) of which does not exceed an amount to be prescribed from time to time in writing by the Board of Directors.

**Section 9. Removal from Office.** An officer may be removed from office, with or without cause, by vote, conducted by secret ballot, of three-fourths (3/4) of the Directors then serving, at a special meeting of the Board of Directors called for that purpose.

**Section 10. Vacancies.** In the event of a vacancy occurring in the positions of President, President-elect, First Vice President, Secretary or Treasurer, the President or the President pro tem shall submit the name of the candidate to the Board of Directors for approval by a majority of the directors present at the next meeting.

## **ARTICLE V - BOARD OF DIRECTORS**

### **Section 1. Composition.**

- (a) The Board of Directors shall be composed of: (a) the President, President-Elect, First Vice President, Treasurer, Secretary; (b) The Immediate Past President; (c) the Member Board Directors appointed pursuant to this Article, the number of whom shall equal the number of Member Boards times two (2); and (d) at the discretion of the Board of Directors, up to three (3) directors at large as the Board may determine from time to time (collectively, the “**Directors at Large**”, and each a “**Director at Large**”), whose term, responsibilities, eligibility to serve on the Board of Directors, and qualifications shall as the Board of Directors may determine from time to time. The total number of Directors comprising the Board of Directors shall in no event be less than sixteen (16) or more than nineteen (19).
- (b) Member Board Directors; shall serve for a term of three (3) years and shall not serve for more than six (6) consecutive years. Each Member Board shall select from among the members of such Member Board two (2) Member Board directors; provided, however, that, notwithstanding anything to the contrary as stated above with respect to the initial directors selected following adoption of these Amended and Restated Bylaws, one shall serve for a two (2) year term and one for a three (3) year term.

**Section 2. Dual Eligibility.** If a member of the Board of Directors is eligible to serve as a Director by virtue of being a Director at Large and by virtue of some other eligible position, such member shall vacate his or her Director at Large position for a period of dual eligibility, on a

year-by-year basis after which time he/she can resume his/her position as a Director at Large for the balance of the unexpired term as a Director at Large. The position of the vacating Director shall be filled pursuant to procedures as set forth in Section 3.

**Section 3. Vacancies.**

- (a) In the event of a vacancy occurring among the Directors at Large, the Board of Directors of the Member Board of which the vacating Director was a member shall select a Director at Large from its membership to fill the unexpired term.
- (b) In the event of a vacancy occurring among the Member Board Representative, the Board of Directors of the Member Board of which the vacating Representative was a member shall select a Member Board Representative from its membership to fill the unexpired term.

**Section 4. Forfeiture of Office.** When a Director at Large ceases to be a member of his or her Member Board where he or she was selected as a Director at Large, his or her term of office shall automatically terminate.

**Section 5. Number of Regular Meetings.** The Board of Directors shall meet not less than five (5) times each year, at such times and places as shall be fixed by the Board of Directors.

**Section 6. Special Meetings.** Special meetings of the Board of Directors may be called at any time upon five (5) days written or electronic notice by the President on the President's own initiative, by the Chief Executive Officer upon the request of at least one-fifth (1/5) of the Board of Directors, and as otherwise provided herein; provided that any such notice shall state the purposes of the proposed meeting.

**Section 7. Quorum.** A majority of the total number of Directors then serving shall constitute a quorum of the Board of Directors, and, unless these Bylaws or the parliamentary authority provides for a higher number, all actions of the Board of Directors must receive the approval of a majority of votes cast at such a meeting with a quorum present.

**Section 8. Absences.** Any Director who shall be absent from three (3) consecutive meetings of the Board of Directors shall be subject to removal from the Board pursuant to Section 9 below.

**Section 9. Removal from Office.** Except as provided in Section 8 hereof, (a) a Director elected by the Board may be removed from office, with or without cause, by vote, conducted by secret ballot, of two-thirds (2/3) of the Directors then in office; (b) a director elected by the Board to fill a vacancy of a director elected by Members may be removed without cause only by a vote of a majority of the Members; and (c) a director may be removed for missing a specified number of meetings as provided in Section 8 above by the vote of a majority of all directors then in office.

**ARTICLE VI – BOARD LEADERSHIP TEAM**

**Section 1. Composition.** There shall be a “**Board Leadership Team**” consisting of the President, the President-Elect, the First Vice President, the Chief Executive Officer, and the

person who most recently held the office of President prior to the current President (“**Immediate Past President**”). The Chief Executive Officer shall act as chairman of the Board Leadership Team but shall not be entitled to vote on matters considered by the Board Leadership Team.

**Section 2. Powers.** The Board Leadership Team shall be a consultative group for the Chief Executive Officer. The Board Leadership Team shall furthermore act on behalf of the Board of Directors where timing concerns or emergency dictates, and after having done so, timely obtain ratification of any decisions such made at the next Board of Directors meeting.

**Section 3. Meetings.** The Board Leadership Team shall meet at the times, places, and on such notice as the Board Leadership Team may from time to time deem appropriate. In the event that any matter considered by the Board Leadership Team shall result in a tie, a special meeting of the Board of Directors to vote on said matter shall be automatically called pursuant to Article V.

## **ARTICLE VII - CONTRACTS, LIABILITY AND INDEMNIFICATION**

**Section 1. Conflicts of Interest.** No person shall engage in any deliberations, vote, or otherwise act as a director or officer when there is a material conflict of interest between such person and the Association. All persons must furthermore comply with the terms stated in the Association’s Conflict of Interest Policy.

**Section 2. Liability.** No Director, officer, or chairperson or other member of a Task Force or committee of the Association, not receiving compensation from the Association by reason of serving in such position, shall be liable to the Association for his or her negligence, that of any other Director, officer, chairperson or other member of a Task Force or committee of the Association, of for any loss suffered by the Association.

**Section 3. Indemnification.** The Association may, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he or she, his or her testator or intestate, was a director or officer of the Corporation, against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys’ fees. No indemnification may be made to or on behalf of any such person if (a) his or her acts were committed in bad faith or were the result of his or her active and deliberate dishonesty and were material to such action or proceeding or (b) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The Board of Directors may enact such additional policies regarding indemnification that do not conflict with the terms stated herein.

## **ARTICLE VIII - MEETINGS OF THE MEMBERSHIP**

**Section 1. Annual and Regular Meetings.** The Association shall hold an annual membership meeting at a time and place to be designated by the Board of Directors. Regular membership meetings may be held at such times stated or fixed in accordance with the Bylaws or determined by the Board of Directors.

**Section 2. Special Meeting.** Special meetings of the membership may be called by the Board of Directors or by the President upon petition by a majority of Member Boards.

**Section 3. Quorum.** At any meeting of the members, a quorum shall be present if there are present in person thirteen (13) members in good standing. Except as otherwise provided in these Bylaws, all actions of the membership must receive the approval of a majority of those members at a meeting at which a quorum is present.

**Section 4. Voting.** Each member in good standing shall be entitled to cast one (1) vote. The members in good standing and entitled to vote shall be determined by the membership records of the Association as they stand sixty (60) days prior either to the time set for the meeting at which the vote is to be taken.

**Section 5. Notice of Meetings.** Notice of all member meetings must state the place, day and hour of the meeting and whether it is annual or special, and in the case of special meeting, stating the purpose or purposes thereof, shall be given personally, by telephone, by mail, or electronic transmission no fewer than ten (10) or more than sixty (60) days prior to the meeting. If by mail, such notice shall be deemed delivered when deposited in the United States mail postage prepaid and addressed to a member at the member's last known address shown in the Association's records. Notice given by electronic transmission shall be deemed given (i) when directed to an electronic mail address at which the member has consented to receive notice, (ii) when directed to a facsimile number at which the member has consented to receive notice, (iii) when posted on an electronic network together with separate notice to the specific posting given to the member, and (iv) when directed to the member if transmitted by any other form of electronic transmission.

**Section 6. Waiver of Notice.** A member may waive the notice described in this article by delivering a written and signed waiver of such notice for inclusion in the minutes, or filing with the Association's records. A member's attendance at a meeting also waives any objection to deficiencies in meeting notice unless, at the beginning of the meeting, the member objects to holding the meeting or transacting all or specific business at the meeting.

## ARTICLE IX - COMMITTEES

### **Section 1. Standing Committees.**

- (a) The Board of Directors may establish one or more committees to handle the ongoing operations of the Association which shall be classified as "**Standing Committees**". Standing Committees may be created or eliminated by the Board of Directors, which shall review and approve a committee charter for each such committee.
- (b) For each Standing Committee, the President, after consulting with the Board Leadership Team, **shall** appoint one chairman, one vice chairman, and committee members, provided that such appointments shall be subject to the ratification of the Board of Directors. The appointment of a committee member shall run concurrent with the term of the President, unless otherwise specified by the Board of Directors.

**Section 2. Task Forces.** The President shall have the power, after consulting with the Board Leadership Team, to appoint such working groups which shall be known as "Task Forces", provided that such appointment shall be subject to ratification by the Board of Directors. The Board of Directors may, but is not required to, impose upon or grant to said Task Force such

restrictions, obligations, limitations, powers, responsibilities, and duties as the Board of Directors deem appropriate regarding: (1) the purpose for which the Task Force was created, (i.) any restrictions regarding the size or composition of the Task Force, (ii.) any applicable voting restrictions or other procedures, (iii.) the powers, authority, and duties of the Task Force, if any, (iv.) the sunset date or event determining the duration of said Task Force, (v.) the method and frequency of the Task Force's reporting requirements, if any, and (vi.) any other topic or item the board deems appropriate.

**Section 3. Vacancies.** The President shall, after consulting with the Board Leadership Team, have power to remove any Standing Committee or Task Force member, with or without cause, subject to the approval of the Board of Directors. The President shall fill any vacancies by appointment for the unexpired term, subject to the terms provided herein or any applicable conditions imposed by the Board of Directors, by charter or otherwise.

## **ARTICLE X - ELECTION OF OFFICERS**

**Section 1. Time of Election.** The election of Officers shall be held at the Board of Directors meeting held in connection with the annual membership meeting.

**Section 2. Voting.** The annual election of officers shall be held at the annual membership meeting. Election shall be by ballot and all votes shall be cast in person. Each Director may cast one (1) vote for each vacant position. Ballots shall be counted by the President-Elect and an appointee of the President with the assistance of staff. In the case of a timed vote, the selection shall be determined by lot (e.g. by drawing straws). There shall be no cumulative voting.

**Section 3. Eligibility.** Only members licensed as real estate brokers and licensed or certified appraisers in good standing shall be eligible for election as elective officers. Except as otherwise provided in these Bylaws, the eligibility of members of the Association for nomination and election as elective officers or for recommendation as National Director shall be determined by the Board of Directors, or a committee designated by the Board of Directors, whose determination shall be final.

**Section 4. Board Development Committee.** There shall be a Board Development Committee consisting of the following members. There shall be nine (9) voting members. The Immediate Past President shall serve as the Chair of the Board Development Committee. The balance of the committee shall consist of the Immediate Past President from the past two (2) years and the President-elect; as well as the following Members who shall be recommended by the President after consultation, with the Board Leadership Team, and shall be approved by the Board: three (3) Past Directors (who served within the past three (3) years) and three (3) Members-at-Large. The Board Development Committee shall recruit, interview and recommend qualified individuals to serve the Association in the capacity of President, President-elect, First Vice President, Secretary and Treasurer. The Board Development Committee shall also be responsible for the annual Board of Directors training, recruitment, orientation, succession and Board evaluation.

## **ARTICLE XI - CODE OF ETHICS: PROFESSIONAL STANDARDS AND TRAINING**

**Section 1. New Member Code of Ethics Orientation.** Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) 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 (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

**Section 2. Continuing REALTOR® Code of Ethics Training.**

- (a) Effective January 1, 2019, through December 31, 2021, and for successive three-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 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 REALTOR® association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, 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 three-year cycle shall not be required to complete additional ethics training until a new three-year cycle commences.
- (b) Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three-year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

**Section 3. Discipline of REALTOR® and REALTOR-ASSOCIATE® Members.** Any REALTOR® or REALTOR-ASSOCIATE® member may be disciplined by the board of directors for violations of these Bylaws, the Code of Ethics, or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of 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. Enforcement of the Code.** The responsibility of the association and of association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto shall be governed by



the Code of Ethics and Arbitration Manual of the Hawai'i Association of REALTORS®, as from time to time amended, which by this reference is made a part of these Bylaws.

**Section 5. Code of Ethics.** The Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® is adopted as the Code of Ethics of the Association and shall be considered a part of the rules and regulations of the Association, and shall, in the future, be deemed to be amended and changed as and whenever the Code of Ethics is amended or changed by the NATIONAL ASSOCIATION OF REALTORS®.

**Section 6. Initial Procedure.** A Member Board, prior to referring an ethics complaint or arbitration request for review to the State Association, should exhaust all efforts to impanel an impartial tribunal to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable members of the Member Board on an ad hoc basis to serve on either a Hearing Panel or on behalf of the Board of Directors. If, because of notoriety, etc., the Member Board cannot impanel an impartial tribunal, the Member Board may refer the matter to the Association, and the Association may delegate to another Member Board or a regional enforcement facility, the authority to hear the case on behalf of the Association. No Board or regional enforcement facility, however, may be required to accept this delegation of authority. If no other entity is amenable to conduct the review, the Association shall be responsible for conducting the hearing.

**Section 7. Jurisdiction.** Allegations of ethical violations and contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® and between REALTORS® and their customers or clients may be submitted to an ethics or arbitration panel at the Association level under the following circumstances:

- (a) Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® who is directly a member of the State Association and not a member of any Member Board.
- (b) Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® in the instance in which the Member Board, because of size or other valid reasons, determines that it cannot provide a due process hearing and petitions the Association to conduct a hearing.
- (c) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are not members of the same Board where the matter has been referred to the Association by both Member Boards.
- (d) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are directly members of the Association and are not members of any Board.
- (e) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between a REALTOR® who does not hold membership in any Member Board, but is directly a member of the Association, and a REALTOR® who is a Member of a Member Board.

- (f) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® Members of the same Member Board where the Member Board, with good and sufficient reason, is unable to arbitrate the controversy. (Explanation: This provision is not designed to relieve a Member Board of its primary responsibility to resolve differences arising between members of the same Board. This section recognizes that in some Member Boards with limited membership, usual arbitration procedures may be impossible).
- (g) Contractual disputes between a customer or a client and a REALTOR® where the Board, with good and sufficient reason, is unable to arbitrate the dispute or the REALTOR® is a direct member of the Association.

**Section 8. Code of Ethics Manual and Arbitration Manual.** The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the Hawai'i Association of REALTORS®, as from time to time amended, which by this reference is made a part of these Bylaws.

**Section 9. Resignation/Termination.** If a REALTOR® Member resigns from the Board or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel. If a REALTOR® Member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

**Section 10. Discipline of REALTOR® Members.** Any REALTOR® member of the Association may be disciplined by the Board of Directors for violations of these Bylaws, the Code of Ethics, or other duties or membership, after a hearing as described in the Code of Ethics 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 REALTOR®, as set forth in the Code of Ethics and Arbitration Manual of the National Association.

**Section 11. Enforcement of the Code.** The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the Association, as from time to time amended, which by this reference is made a part of these Bylaws

## **ARTICLE XII - USE OF THE TERMS REALTOR® AND REALTOR-ASSOCIATE® AND THE HAWAI‘I ASSOCIATION OF REALTORS®**

**Section 1. Use of Terms.** Use of the terms REALTOR®, REALTORS® and REALTOR-ASSOCIATE® 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 those areas of Hawai‘i not within the jurisdiction of a Member Board. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association’s Code of Ethics and Arbitration Manual. (Amended 5/06)

**Section 2. REALTOR® Members.** REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their business so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.

**Section 3. REALTOR® Member who is a Principal of a Real Estate Firm.** A REALTOR® Member who is a principal of a real estate firm, partnership or corporation may use the terms REALTOR® or REALTORS® only if all of the principals of such firm, partnership or corporation who are actively engaged in the real estate profession within the state are REALTORS® or Institute Affiliate Members.

**Section 4. REALTOR-ASSOCIATE® MEMBERS.** REALTOR-ASSOCIATE® Members of the Association shall have the right to use the term REALTOR-ASSOCIATE® so long as they remain REALTOR-ASSOCIATE® Members in good standing and the REALTOR® Member with whom they are associated or by whom they are employed is also a REALTOR® Member in good standing.

**Section 5. Institute Affiliate Members.** An Institute Affiliate Member shall not use the terms REALTOR®, REALTORS® or REALTOR-ASSOCIATE® and shall not use the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

**Section 6. Use of the Name HAWAI‘I ASSOCIATION OF REALTORS®.** A Member Board or group of Member Boards, shall not use the name of the HAWAI‘I ASSOCIATION OF REALTORS®, H.A.R. or its logo as a sponsor of its meetings or conferences without obtaining prior written approval of such sponsorship by the Board of Directors or its designee, and requests for such approval shall be made at least three (3) months in advance of the date proposed.

## **ARTICLE XIII - NOTICES AND AMENDMENTS**

**Section 1. Notices.** Except where notice by mail or electronic notice is specifically required herein, whenever notice (whether of a meeting and its purpose or otherwise) is required or authorized by these Bylaws, publication of such notice on the official website of the Association

within the time prescribed shall be deemed to be good and sufficient notice to all Members of the Association.

**Section 2. Amendments by the Board of Directors.** These Bylaws may be amended at a meeting of the Board of Directors by the affirmative vote of two-thirds (2/3) of the Directors present and qualified to vote at any meeting at a quorum is present, the substance of the such proposed amendment or amendments shall be published at least thirty (30) days in advance of the meeting. Unless a petition is received five (5) days prior to the Board of Directors meeting, bearing the signature of five percent (5%) of the membership, requesting that one or more of the proposed amendments be brought for vote before the membership, the Directors action shall be final.

**Section 3. Amendments Mandated by NAR.** When Bylaws amendments are mandated by NAR policy, these Bylaws may be automatically amended to reflect the mandate as 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.

**Section 4. Vote by Board Members.** In the event of the filing of a valid petition seeking a vote by the Board Members on a Bylaw amendment, the amendment shall become approved upon the affirmative vote of the Board Members present and voting of the Association, provided a quorum is present, and provided that notice of the meeting, of the amendment proposed for adoption, modification or repeal, and the text thereof has been published in the official publication and/or on the official website of the Association.

**Section 5. Approval by the NATIONAL ASSOCIATION OF REALTORS®.** Amendments to these Bylaws affecting the admission or qualifications of REALTORS®, REALTOR-ASSOCIATE® and Institute Affiliate Members, the use of the term REALTOR®, REALTORS® or REALTOR-ASSOCIATE®, or any alteration in the territorial jurisdiction of a Member Board shall become effective upon the approval of the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

## **ARTICLE XIV - AUDIT AND FINANCIAL STATEMENTS**

The accounts of the Association shall be audited annually as the close of the fiscal year by a certified public accountant or certified public accounting firm designated by the Audit Committee and the Board of Directors. The annual financial statements of the Association shall be made available for inspection by all of its members promptly upon them becoming available. There shall be such interim and pre-audit reviews and analysis of the Accounts by the Association as may be directed by the Audit Committee or Board of Directors.

## **ARTICLE XV - ACTION WITHOUT A MEETING**

Any action required or permitted by these Bylaws to be taken at a meeting of the members of the Board of Directors, Board Leadership Team, or other committee of the Association may be taken

without a meeting if a consent in writing, setting forth action so taken, is signed by all of the members or directors, as the case may be entitled to vote on the subject matter of the meeting. Such consent shall have the force and effect of a unanimous vote.

## **ARTICLE XVI - DISSOLUTION**

Upon the dissolution of the Association, the Board of Directors, after providing payments of all obligations, shall distribute any remaining assets to such other nonprofit, tax-exempt organization or organizations as it selects.

## **ARTICLE XVII - MISCELLANEOUS**

**Section 1. Manner of Notice.** Unless otherwise provided herein, all notices referred to in these Bylaws may be given by publication in the official State Association publication or by written notice or electronic communications mail addressed to the persons entitled to receive the same at their written or electronic mail address as shown on the records of the corporation. All notices shall be mailed or delivered at least thirty (30) days before the date of the meeting, unless the Bylaws specify otherwise.

**Section 2. Retention of Local Control.** Nothing in these Bylaws shall be construed to limit the control presently vested in local Boards with respect to admission of Members at that level or the right to assess such reasonable local fees which may be necessary to meet the costs and expenses of local Board operation.

**Section 3. Gender.** In these Bylaws, words used in the masculine gender include the feminine and neuter.