

**AMENDED AND RESTATED BYLAWS OF
THE PIKES PEAK ASSOCIATION OF REALTORS®, INC.
As Adopted August 18, 2016**

**ARTICLE I
Name**

Section 1. Name. The name of this organization is 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
Objectives**

The objectives of the Association are:

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

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

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

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

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

ARTICLE III Jurisdiction

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® is the El Paso and Teller Counties.

Section 2. Territorial jurisdiction is defined to mean the territory in which the Association has the right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV Membership

Section 1. There shall be six 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 of Colorado or a state contiguous thereto shall qualify for REALTOR® membership only, and each is required to hold REALTOR® membership (except as provided in the following paragraph) in a local association of REALTORS® within the state or a state contiguous thereto, unless otherwise qualified for Institute Affiliate membership as described in Section 1(b) of Article IV.

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

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

(3) Franchise REALTOR® membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred

fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the 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 association-mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local association, state association and National Association.

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

(5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X 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. (Amended 04/13)

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

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

(d) Public Service Members. Public Service members shall be 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.

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

(f) Student Members. Student members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at an institution of higher learning and who have completed at least two years of college and at least one college-level course in real estate, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

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 local dues for the President of CAR shall be waived.

ARTICLE V

Application, Qualification and Election

Section 1. Application.

An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the *Constitution, Bylaws*, and rules and regulations of the Association, the State and National Associations, and if elected a member, will abide by the Constitution and Bylaws, and rules and regulations of the Association, State and National Associations and, if a REALTOR® member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate (or to mediate if required by the association) controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association, through its Board of Directors or otherwise, may invite and receive information and comment about applicant from any member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the *Bylaws, Constitution*, rules and regulations, and Code of Ethics referred to above. (Amended 04/13)

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 recent or pending bankruptcy¹, has no record of official sanctions involving unprofessional conduct², 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 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 Board of Directors, and shall agree that if elected to membership, he/she will abide by such *Constitution, Bylaws*, rules and regulations, and Code of Ethics.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, in order to qualify for REALTOR® membership, shall at the time of application be associated either as an employee or as an independent contractor with a Designated REALTOR® member of the Association or a Designated REALTOR® member of another Association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct³, 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 Board of Directors, and shall agree in writing that if elected to membership, he/she will abide by such *Constitution, Bylaws*, rules and regulations, and the Code of Ethics.

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

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

² No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider:

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

³ Id.

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

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

(a) The Chief Executive Officer (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership.

(b) The Board of Directors shall review the qualifications of the applicant and the recommendations of the Chief Executive Officer (or duly authorized designee) and then vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he/she shall be declared elected to membership and shall be advised by written notice.

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

(d) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Chief Executive Officer (or duly authorized designee). If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

Section 4. New Member Code of Ethics Orientation. Applicants for REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership 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 sixty (60) days of the date of application will result in denial of the membership application.

Section 5. Continuing Member Code of Ethics Training. Effective January 1, 2017, through December 31, 2018, and for successive two 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 association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any-two (2) year cycle shall not be required to complete additional ethics training until a new two (2) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) 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 6. Status Changes.

(a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she has been licensed, or alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within thirty (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.

A REALTOR® (or REALTOR-ASSOCIATE®, where applicable) who is transferring his/her license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within five (5) working days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

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

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

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

ARTICLE VI Privileges and Obligations

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

Section 2. Any member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association rules and regulations consistent with these Bylaws, after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the National Association. Although members other than REALTORS® are not subject to the Code of Ethics, nor its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, members other than REALTORS® may, upon recommendation of the Board of Directors, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local association, 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 National 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 for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a member resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise

causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) 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. REALTOR® members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(a) If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined member, or until readmission of the disciplined member, or unless connection of the disciplined member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension of the disciplined member or until readmission of the disciplined member or until connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the Association, whichever may apply.

If a REALTOR® member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

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

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

Section 8. Affiliate Members. Affiliate members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 9. Public Service Members. Public Service members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 10. Honorary Members. Honorary membership shall confer only the right to attend meetings and participate in discussions.

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

Section 12. Notification by REALTOR®. "Designated" REALTOR® members of the Association shall certify, if requested by the Association, on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary association for each individual who holds membership. Designated REALTORS® shall also, if requested by the Association, identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another association based on said non-member licensees, the Designated REALTOR® shall identify the association to which dues have been remitted. These declarations may be used by the Association for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual.

Section 13. Harassment. Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association officer or director after an investigation in accordance with the procedures of the Association. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the Chairman and Chairman-Elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®. If the complaint names the Chairman or Chairman-Elect, they may not participate in the proceedings and shall be replaced by the immediate past Chairman, or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

ARTICLE VII
Professional Standards and Arbitration

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

Section 2. It shall be the duty and responsibility of every REALTOR® member of this Association to abide by the *Bylaws* and the rules and regulations of the Association, the *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 mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics and Arbitration Manual of this association, as from time to time amended. (Adopted 04/13)

ARTICLE VIII
Use of the Terms REALTOR® and REALTORS®

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

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 Section 1(b) of Article IV.

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 IX 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 X Dues and Assessments

Section 1. Application Fee: The Board of Directors may adopt an application fee for REALTOR® membership in a 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. Dues: The annual dues of the members shall be as follows:

(a) REALTOR® Members:

The annual dues of each Designated REALTOR® member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in the state or a state contiguous thereto 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 or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the association to which dues have been remitted. In the case of a Designated REALTOR® member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for 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.

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

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall, at the request of the Association, 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®.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing,

renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the Association who during the same calendar year applies for REALTOR® 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.

(b) REALTOR® Members. The annual dues of REALTOR® members other than the Designated REALTOR® shall be as established annually by the Board of Directors.

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

(d) Affiliate Members. The annual dues of each Affiliate member shall be as established annually by the Board of Directors.

(e) Public Service Members. The annual dues of each Public Service member shall be as established annually by the Board of Directors.

(f) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

(g) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on the first day of October. Dues for new members shall be computed from the first day of the month in which a member is notified of election and shall be prorated for the remainder of the year.

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

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments owed to the Association are not paid within one (1) month after the due date, the nonpaying member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a member for nonpayment of disputed

amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had his/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other rules and regulations of the Association or any of its services, departments, divisions, or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

If fees, fines, or other assessments owed to the Association's multiple listing service are not paid within one (1) month after the due date, the nonpaying Participant is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, multiple listing services of the nonpaying Participant are terminated. Services will be reinstated after making payment in full of all accounts due as of the date of termination.

Section 5. Deposits and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

Section 6. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or Association multiple listing service shall be noticed to the delinquent Association member in writing setting forth the amount owed and due date.

Section 7. The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

ARTICLE XI 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 as may be 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. It shall be the particular duty of the Chief Executive Officer to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and Colorado Association of REALTORS®.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the elected Officers, the immediate Past Chairman of the Board, and thirteen (13) elected 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 twelve (12) Directors shall be elected for terms of three (3) 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. The Chairman of the Board shall also be a CAR Director. Each year the term of three (3) of the nine PPAR Directors and one of the PPAR/CAR Directors shall expire, and Directors shall be elected to fill these vacancies. 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. The term of each Director shall commence on the first day of October following such Director's election. As many Directors shall be elected each year as are required to fill all vacancies.

(a) Term Limits. No Association director shall serve for more than two (2) consecutive three (3)-year terms. Notwithstanding, additional consecutive terms of (2) years or less are permissible for directors serving as the Chairman, Chairman-Elect, and Immediate Past Chairman of the Board.

(b) No more than two (2) REALTORS® from the same real estate firm may simultaneously serve on the Board of Directors. 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 (2) 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.

Section 4. Election of Officers and Directors.

(a) At least 30 days before the annual election, the Chairman of the Board Elect of the Board shall appoint a Nominating Committee with the approval of the Board of Directors consisting of five (5) REALTOR® members of whom at least two (2) shall not have been Chairman of the Board of this Association within the preceding five (5) years. The Nominating Committee shall select one candidate for each office, except Chairman of the Board, and one candidate for each place to be filled on the Board of Directors. 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 mailed or, where permitted by state law, electronically transmitted to each member eligible to vote at least fifteen (15) days preceding the election. Additional candidates for officer or director on the Board of Directors may be placed in nomination by petition signed by at least ten percent (10%) of the REALTOR® members eligible to vote. The petition shall be filed with the Chief Executive Officer at least ten (10) days before the election. The Chief Executive Officer shall send notice of such additional nominations to all REALTOR® members eligible to vote before the election.

(b) The election of officers and directors shall take place at the annual meeting or where permitted by state law, electronically. Election shall be by ballot, and all votes shall be cast in person, 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 (1) working day prior to the election.

(c) The Chairman of the Board, with the approval of the Board of Directors, shall appoint a committee/task force of REALTOR® members to conduct the election. 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 until the next annual election.

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.

Section 7. Chief Executive Officer (CEO). There shall be a Chief Executive Officer, appointed by the Board of Directors, who shall be the chief administrative officer of the Association. The CEO shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as described by the Board of Directors.

ARTICLE XII

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, place and time to be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. In addition to regular 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. The Board of Directors may, at its sole option and discretion, cancel up to three (3) of its regularly scheduled

board meetings per fiscal year. Absence 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. A quorum for the transaction of business shall be a majority of the board of directors, except as may otherwise be required by state law.

Section 3. Other Meetings. Meetings of the members may be held at other times as the Chairman of the Board or the Board of Directors may determine, or upon the written request of at least 10% of the members eligible to vote.

Section 4. Notice of Meetings. Written notice shall be given every member entitled to participate in the meeting at least one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business at general and/or special meetings of the membership shall consist of five percent (5%) or 100 members eligible to vote, whichever is greater, except as may otherwise be required by state law. Voting by proxy or absentee ballot shall not be allowed except as addressed in Article XI, Section 4(b).

Section 6. Electronic Transaction of Business. To the fullest extent permitted by law the Board of Directors or membership may conduct business by electronic means.

Section 7. Action without Meeting. Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the Chief Executive Officer to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date.

ARTICLE XIII 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, the following standing committees:

Board Development
Community Relations
Government Affairs
Member Linkage
Professional Standards (including Arbitration, Mediation & Grievance)

(b) Staff Functions (Task Forces):

CARHOF
Education
Investment
Leadership Development
Member Benefits
Orientation
Political Survival
REALTAC
Strategic Planning

(c) Forums:

Exchangers
Farm and Ranch
Independent Broker Forum
Institute of Real Estate Management
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. Special Committees/Task Forces. The Chairman of the Board or Chief Executive Officer shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

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

Section 4. Chairman of the Board. The Chairman of the Board and Chairman-Elect shall be ex-officio members of all standing committees and shall be notified of their meetings.

Section 5. Action Without Meeting. Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee.

Section 6. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the Chairman of the Board and shall constitute presence at the meeting.

ARTICLE XIV Fiscal and Elective Year

Section 1. The fiscal year of the Association shall be October 1 to September 30.

Section 2. The elective year of the Association shall be October 1 to September 30.

ARTICLE XV Rules of Order

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

ARTICLE XVI Amendments

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

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed or e-mailed to every member eligible to vote at least one (1) week prior to the meeting.

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVII Dissolution

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 XVIII Multiple Listing

Section 1. Authority. The Pikes Peak Association of REALTORS® shall maintain for the use of its members a multiple listing service which shall be a lawful corporation of the State of Colorado, all of the stock of which shall be owned by this Association. The corporation is known as the Pikes Peak REALTOR® Services Corp. (“RSC”).

Section 2. Purpose. A multiple listing service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as sub-agents, buyer agents, or in other agency or nonagency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease). The multiple listing service operated by RSC is known as the Pikes Peak Multiple Listing Service (referred herein as the "MLS" or "PPMLS"). RSC also maintains a commercial information exchange and a common lock box system.

Section 3. Governing Documents. The Board of Directors shall cause any multiple listing service established by it pursuant to this article to conform its Articles of Incorporation, Bylaws, rules and regulations, policies, practices and procedures at all times to the laws of the State of Colorado and to the *Constitution, Bylaws*, rules and regulations, and policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Participation. Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service "participation" unless he/she/it holds a current, valid Colorado real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate Colorado state regulatory agency to engage in the appraisal of real property and maintains an office or Internet presence from which he/she is available to represent real estate sellers, buyers, lessors or lessees or from which he/she provide appraisal services. Use of information developed by or published by the Association multiple listing service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or any right of access to information developed by or published by an Association multiple listing service where access to such information is prohibited by law.

A nonmember applicant for MLS participation who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, shall supply evidence satisfactory to the Board of Directors that he/she has no record of recent or pending bankruptcy; has no record of official sanctions involving unprofessional conduct; agrees to complete a course of instruction (if any) covering the MLS rules and regulations and computer training related to MLS information entry and retrieval; and shall agree that if elected as a Participant, he/she will abide by such rules and regulations and pay the MLS fees and dues, including the nonmember differential (if any), as from time to time established. Under no circumstances is any individual or firm entitled to MLS participation unless they hold a current, valid Colorado real estate broker's license and offer or

accept compensation to and from other Participants, or are licensed or certified by an appropriate Colorado state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law.

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

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

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS Rules and regulations and computer training related to MLS information entry and retrieval within thirty (30) days after access has been provided.

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize Participants and subscribers with system

changes or enhancement and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated additional training remotely.

Generally, associations of REALTORS®, when there is more than one principal in a real estate firm, define the chief principal officer of the firm as the MLS "Participant". If each principal is defined as a "Participant," then each shall have a separate vote on MLS matters. Brokers or salespersons other than principals are not considered "Participants" in the service, but have access to and use of the service through the principal(s) with whom they are affiliated.

Section 5. Sub-Participants; Subscribers. Sub-Participants (or users) of the MLS include Colorado licensed non-principal brokers and sales associates, and licensed and certified appraisers affiliated with Participants. Sub-Participants also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant's licensed designee. Subscribers of the MLS include Colorado licensed appraisers who are affiliate members of the Association and lending institutions and title companies who are affiliated members.

ARTICLE XIX Indemnification

Section 1. Indemnification of Directors, Officers, Etc. The Association hereby declares that any person who serves, or has served, as a director, officer, employee or agent on behalf of the Association shall be indemnified by the Association, directly or through insurance secured for the benefit of such individuals as follows: the Association shall secure counsel to act on behalf of and provide a defense for such officers, directors, employees or agents; pay reasonable defense expenses incurred in advance of final disposition of such case; and indemnify such officers, directors, employees or agents with respect to any liability assessed or incurred as a result of any such claim, suit or action including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, provided such person acted in good faith and such person reasonably believed their decisions or actions were taken in good faith and reasonably understood to be within the scope of their authority or employment and was in the Association's best interests or at least was not opposed to the Association's best interests; and with respect to any criminal action or proceeding, such person had no reasonable cause to believe such person's conduct was unlawful. Termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption, or be determinative, that such person did not meet the standard of conduct described in this section.

Section 2. Indemnification in Criminal Actions. No indemnification shall be made in respect of any criminal action or proceeding as to which a person covered by Section 1 shall have been adjudged to be guilty unless and only to the extent that the court in which such action

or proceeding was brought shall determine upon application that, despite the adjudication of guilt but in view of all the circumstances of the case, such person is entitled to indemnification for such expenses or fines which such court shall deem proper.

Section 3. Period of Indemnification. Any indemnification pursuant to this Article shall (a) be applicable to acts or omissions which occurred prior to the adoption of this Article, and (b) continue as to any indemnified party who has ceased to be a director, officer, employee or agent of the Association and shall inure to the benefit of the heirs and personal representatives of such indemnified party. The repeal or amendment of all or any portion of these bylaws which would have the effect of limiting, qualifying or restricting any of the powers or rights of indemnification provided or permitted in this Article shall not, solely by reason of such repeal or amendment, eliminate, restrict or otherwise affect the right or power of the Association to indemnify any person, or affect any right of indemnification of such person, with respect to any acts or omissions which occurred prior to such repeal or amendment.

Section 4. Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as the Board of Directors may deem appropriate in each specific case, including but not limited to any one or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any action shall be counsel that is mutually agreeable to the person to be indemnified and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

Section 5. Limitation on Indemnification. Notwithstanding any other provision of these Bylaws, the Association shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with qualification of the Association as an organization described in section 501(c)(6) of the Internal Revenue Code.

ARTICLE XX Miscellaneous

Section 1. Account Books, Minutes, Etc. The Association shall keep books and records of account and shall also keep minutes of the proceedings of its Board of Directors.

Section 2. Conveyances and Encumbrances. Property of the Association may be assigned, conveyed or encumbered by such officers of the Association as may be authorized to do so by the Board of Directors, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance.

Section 3. Conflicts of Interest. If any person who is a director or officer of the Association is aware that the Association is about to enter into any business transaction directly or indirectly with such person, any member of such person's family, or any entity in which such person has any legal, equitable or fiduciary interest or position, including without limitation as a director, officer, shareholder, partner, beneficiary or director, such person shall: (a) immediately inform those charged with approving the transaction on behalf of the Association of such person's interest or position; (b) aid the persons charged with making the decision by disclosing any material facts within such person's knowledge that bear on the advisability of such transaction from the standpoint of the Association; and (c) not be entitled to vote on the decision to enter into such transaction.

Section 4. Loans to Directors and Officers Prohibited. No loans shall be made by the Association to any of its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be personally liable to the Association for the amount of such loan until it is repaid.

Section 5. Severability. The invalidity of any provision of these Bylaws shall not affect the other provisions hereof, and in such event these Bylaws shall be construed in all respects as if such invalid provision were omitted.

CERTIFICATION

I hereby certify that the attached is a true and correct copy of the Bylaws of the Pikes Peak Association of REALTORS®, Inc., a Colorado non-profit corporation.

Dated this 18th day of August, 2016.

A handwritten signature in dark ink that reads "Danell Wass". The signature is written in a cursive, flowing style.

Chairman, Pikes Peak Association of REALTORS®