



**SAN JUAN
BOARD OF REALTORS®**

BYLAWS

Reviewed April 7, 2016

Article I - Name

Section 1. Name and Seal. The name of this organization shall be San Juan Board of REALTORS®, Inc., (hereinafter referred to as the "Board"). The Official Seal of the Board shall be in the form of a circle in which in its border shall have inscribed "San Juan Board of REALTORS®"; in its center the "R" of REALTOR®, the year of incorporation, and the registry number. All certifications issued by the Board must display the Official Seal, otherwise such certification will be not considered official nor authentic.

Section 2. REALTORS®. Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of the Board 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 Board 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 Puerto Rico Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

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

Article III - Jurisdiction

Section 1. The territorial jurisdiction of the Board as a Member of the NATIONAL ASSOCIATION OF REALTORS® is within the Commonwealth of Puerto Rico, specifically the municipalities of Guaynabo, San Juan, Carolina, Trujillo Alto, Canóvanas, Loíza, Rio Grande, Luquillo, Fajardo, Ceiba, Vieques, Culebra, Naguabo y Humacao.

Section 2. Territorial jurisdiction is defined to mean:

- (a) The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Board agrees to protect and safeguard the property rights of the NATIONAL ASSOCIATION OF REALTORS® and its terms.
- (b) The right to have, with respect to other "Boards", the authority to accept as member any person dedicated to the business of real estate, whose principal area of business and operations is located within the territorial jurisdiction of the Board.

Article IV - Membership

Section I. Except as otherwise prescribed, only individuals shall be accepted as members of the Board. 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 within the Commonwealth of Puerto Rico. 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 Commonwealth of Puerto Rico shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Board of REALTORS® within the Commonwealth of Puerto Rico 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 board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. (Amended 1/01)

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

- (2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.
- (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 board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local board, state association and National Association. (Adopted 1/96)
- (4) **Primary and secondary REALTOR® Members.** An individual is a primary member if the Board pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another Board. One of the principals in a real estate firm must be a Designated REALTOR® member of the Board in order for licensees affiliated with the firm to select the Board as their "primary" Board.
- (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 Board dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws. (Amended 11/11)

- (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. (Amended 1/02)
- (c) **Affiliate Members.** Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Board. 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 board, 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 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 Board, or for the public.
- (f) **Student Members.** Student Members shall be individuals who are:
 - (1) seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions 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; or
 - (2) actively seeking a real estate broker, real estate salesperson or real property appraisers license by being currently enrolled in a real estate broker or salesperson course at an institution certified by the Puerto Rico Board of Brokers, Salespersons, and Real Estate Businesses, or by the Puerto Rico of Examiners of Real Property Appraisers.

Article V - Qualification and Election

Section I. Application.

- (a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant:
 - (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Board, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Board, 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 Board, through its Membership Committee 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 Board 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 11/11)

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 through its Membership Committee or otherwise 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 Commonwealth of Puerto Rico (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, the Bylaws of the Puerto Rico Association of REALTORS®, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written 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. (Amended 1/05)

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

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

- (1) 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
 - (2) criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date (Amended 5/07)
- (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 Board or a Designated REALTOR® Member of another Board (if a secondary member) and must maintain a current, valid real estate brokers or salespersons license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, 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 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.

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

- (1) 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
 - (2) criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date (Amended 5/07)
- (c) The Board may also consider the following in determining an applicant's qualifications for REALTOR® membership:
- (1) All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years
 - (2) Pending ethics complaints (or hearings)
 - (3) Unsatisfied discipline pending
 - (4) Pending arbitration requests (or hearings)
 - (5) Unpaid arbitration award or unpaid financial obligations to this or any other REALTOR® association or REALTOR® association MLS
 - (6) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm

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

Section 3. Election.

The procedure for election to membership shall be as follows:

- (a) The Membership Committee shall determine whether the applicant is applying for the appropriate class of membership. It shall then give written notice to the REALTOR® Members of such application and invite written comment. If one or more of the REALTOR® Members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Committee shall invite any objecting Member to appear and substantiate his objections. Objections, which are not substantiated, shall be totally disregarded. The Committee may not find objections substantiated without:

- (1) Informing the applicant in advance, in writing, of the objections and identifying the objecting Member, and
 - (2) Giving the applicant a full opportunity to appear before the Committee and establish his qualifications. The Committee shall thereafter make a written report of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Board.
- (b) The applicant shall file concurrent with his or her application, a copy of the real estate broker or real estate sales associate license, issued by the Puerto Rico Board of Brokers, Salespersons, and Real Estate Businesses, or by the Puerto Rico of Examiners of Real Property Appraisers, or in the case of Land and Building Developers, an official copy of the certificate issued by the Puerto Rico Department of Consumer Affairs will be required. The applicant shall also sign a sworn statement undertaking to comply with the Regulations, Rules and Standards of the Board.
 - (c) Thereafter, within thirty (30) days, the Membership Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is adverse to the approval of the application, the reasons shall be specifically stated. If any member of the Membership Committee submits a dissenting recommendation, it shall also be reported to the Board of Directors.
 - (d) The Board of Directors shall review the qualifications of the applicant and the recommendations of the Committee and then vote on the applicant eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he shall be declared elected to membership and shall be advised by written notice. After being elected by the Board of Directors, the applicant shall be notified regarding the location, date, and time that such applicant shall appear to be sworn in, taking an oath to abide by the Code of Ethics of the Board and of Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®. The applicant shall also sign a statement undertaking to comply with the Regulations, Rules and Standards of the Board.
 - (e) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings and recommendations of the Membership Committee, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements as he 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.
 - (e) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Secretary. 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 Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Amended 1/05)

Section 4. New Member Code of Ethics Orientation.

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

Failure to satisfy this requirement within sixty (60) days of the date of application will result in denial of the membership application or termination of provisional membership.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®. (Adopted 1/0 1)

Section 5. REALTOR® Code of Ethics Training.

Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the Puerto Rico Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four 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 for the second (2005 through 2008) cycle and subsequent four (4) year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, Amended 11/08)

Section 6. Status Changes.

- (a) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Board within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he 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 Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors. (Amended 1/98)

A REALTOR® (or REALTOR-ASSOCIATE® where applicable) who is transferring their 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 thirty (30) days of the date the board 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 Board's Bylaws.)

- (b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.
- (c) Dues shall be prorated from the first day of the month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year. (Amended 1/05)

Article VI - Privileges and Obligations

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

Section 2. Any Member of the Board may be reprimanded, fined, placed on probation, suspended, or

expelled by the Board of Directors for a violation of these Bylaws and Board Rules and Regulations consistent with these Bylaws, after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the Board. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Board, 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 Membership Committee, 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 Board, the State Puerto Rico Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® Member of the Board 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 Board, 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 Board for dues, fees, fines, or other assessments of the Board or any of its services, departments, divisions, or subsidiaries, the Board 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 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 member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediate if required by the Board) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. (Amended 11/11)

Section 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Board are paid in full shall be entitled to vote and to hold elective office in the Board; 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 Board and the real estate profession.

- (a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Board by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in

the Board. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, whichever may apply.

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

- (b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6 (a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.
- (c) The real estate business of REALTOR® Members, and the businesses, firms, or corporations that a REALTOR® Member may be associated, will be carried out in accordance to the Bylaws, Rules, and Standards of the Board that govern the behavior and conduct in the real estate business, and in accordance to the Constitution, Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.
- (d) Arbitration. Commercial disputes between REALTOR® Members, or between businesses, firms, or corporations where a REALTOR® Member is employed or affiliated as an independent contractor, will be resolved through arbitration, before the matter can be appealed to a court of law. Commercial disputes between REALTOR® Members or non-members of the Board can be also resolved through arbitration, at the discretion of the Board of Directors, only if both parties in dispute agree to abide by the award rendered, and any non-member accepts in writing to pay in advance any amount that the Board of Directors requested to cover the costs of the arbitration procedure.
- (e) When a REALTOR® Member becomes inactive for any reason, such inactivation notice shall be circulated to the PUERTO RICO ASSOCIATION OF REALTORS®, to all local boards, and to all members of the Board, informing that the member is no longer associated with the Board.

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

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

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

Section 9. Public Service Members. Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

Section 10. Non-Resident Members. Non-Resident Members shall have rights and privileges as REALTOR® members, and be subject to obligations prescribed to such REALTOR® members, with the exception of voting rights and the right to hold elective positions within the Board.

Section 11. Honorary Members. Honorary membership shall confer only the right to attend meetings and

participate in discussions.

Section 12. Student Members. Student members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 13. Certification by REALTOR®. "Designated" REALTOR® members of the association shall certify to the association during the month of January 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 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 shall be used 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 14. Harassment. Any member of the Board may be reprimanded, placed on probation, suspended or expelled for harassment of a Board or MLS employee or Board officer or director after an investigation in accordance with the procedures of the association. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President Elect and/or Vice President and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Board. Disciplinary action may include any sanction authorized in the *Code of Ethics and Arbitration Manual*. If the complaint names the President, President Elect or Vice President, they may not participate in the proceedings and shall be replaced by the immediate past president or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

Article VII – Professional Standards and Arbitration

Section 1. The responsibility of the Board and of Board 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 Board to abide by the Constitution and Bylaws and the Rules and Regulations of the Board, the Constitution and Bylaws of the Puerto Rico Association of REALTORS®, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of this Board as from time to time amended.

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

Section I. 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 Board shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's *Code of Ethics and Arbitration Manual*. (Amended 05/2006)

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

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the Commonwealth of Puerto Rico 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. (Amended 1/01)

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

Article IX - State and National Memberships

Section 1. The Board shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Puerto Rico Association of REALTORS®.

By reason of the Board's Membership, each REALTOR® Member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Puerto Rico Association of REALTORS® without further payment of dues. The Board 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 Board recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Board 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 Board adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Board and all of its Members agree to abide by the *Constitution, Bylaws, Rules and Regulations*, and policies of the National Association and the Puerto Rico Association of REALTORS®

Article X - Dues and Assessments

Section 1. Application Fee.

The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three 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 Board upon final approval of the application. (Amended 1/02)

Section 2. Dues.

The annual dues of Members shall be as follows:

- (a) **REALTOR® Members.** The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who: (I) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (II) are not REALTOR® Members of any Board in the Commonwealth of Puerto Rico or Institute Affiliate Members of the Board. In calculating the dues payable to the Board by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board in the Commonwealth of Puerto Rico, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this board. * (Amended 1/01)
- (1) For the purpose of this Section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place or places of business within the Commonwealth of Puerto Rico and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section I, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in 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.
 - (2) A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.
 - (3) 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. (Amended 11/09 and 11/14)
 - (4) The annual dues of REALTOR® Members other than the Designated REALTOR® shall be as established annually by the Board of Directors.
- (b) **Institute Affiliate Members.** The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (105.00). The National Association shall credit \$35.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$35.00

amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$35.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 11/13)

- (c) **Affiliate Members.** The annual dues of each Affiliate Member shall be as established annually by the Board of Directors. (Amended 1/05)
- (d) **Public Service Members.** The annual dues of each Public Service Member shall be as established annually by the Board of Directors. (Amended 1/05)
- (e) **Honorary Members.** Dues payable, if any, shall be at the discretion of the Board of Directors. (Amended 1/05)
- (f) **Student Members.** Dues payable, if any, shall be at the discretion of the Board of Directors. (Amended 1/05)

Section 3. Dues Payable.

Dues for all Members shall be payable annually in advance on the first day of January. Dues for new members shall be computed from the first day of January in which a Member is notified of election and shall be prorated for the remainder of the year. The balance of payment of annual dues will be paid in or before the thirty-first (31st) day of March. (Amended 1/05)

Section 4. Nonpayment of Financial Obligations.

If dues, fees, fines, or other assessments including amounts owed to the Board or the Board's Multiple Listing Service 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 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 Board 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. For all above actions the member shall be notified in writing.

Section 5. Deposits and Expenditures.

Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors. All the money received at the Board for any concept will be deposited in the Board operational account, at such banking institutions designated by the Board of Directors through a corporate resolution to that effect. The Board will administer the Board finances subject to the Annual Budget approved in a General Assembly of Members.

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 Board or Board Multiple Listing Service shall be noticed to the delinquent Board 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.

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

Section 8. Separation and Payment of Dues. The Treasurer will register separately, the paid and owed dues to the NATIONAL ASSOCIATION OF REALTORS® and to the Puerto Rico Association of REALTORS® and will send the paid dues to them. No dues received for the National Association of REALTORS® or for the Puerto Rico Association of REALTORS® shall be used by the Board.

Section 9. Annual Fiscal Budget. The Annual Fiscal Budget will be prepared by the President Elect for the next year, together with the actual Board of Directors to be presented to the General Assembly for its approval. The Board of Directors will no administer the Board's financial obligations, without an approved Annual Fiscal Budget. In the event that there is not an Annual Fiscal Budget approved by the General Assembly, the Board of Directors will regulate its fiscal matters abiding by budget approved the previous year.

Section 10. Fiscal Policy on Loans, Pledges, and Mortgages. The General Assembly or the Board of Directors, in representation of the Board, may take loans from banking institutions, or pledge savings or investments certificates owned by the Board. Also the Board of Directors, with the approval vote of two third (2/3) of its members, could authorize loans for operations expenditures, with a maturity term of not more than a year. Such loans should be paid in the same year of the Board of Directors tenure, but if no full payment of debt is achieved in such year, these obligations shall be included in the next fiscal year budget of the next President Elect. Any other loan shall have the approval, by a simple majority vote, of the members present in an ordinary or extraordinary General Assembly convened for those purposes.

Article XI - Officers and Directors

Section I. Officers.

- (a) The elected officers of the Board shall be: a President and a President-Elect (also known as the Vice President). The Board shall also have one (1) Secretary and one (1) Treasurer. The Secretary and Treasurer are chosen by the President and confirmed by the Board of Directors of the Board. They shall be confirmed for terms of one year. The President-Elect for the following year, shall be elected by the General Assembly in a second voting round within the nine (9) elected Directors. The Board of Directors is the executive and administrative body of the Board, who will direct the Board's affairs and matters in accordance to the guidelines of the General Assembly and these Bylaws.
- (b) The member of the Board aspiring to the nomination as President-Elect, shall have prior experience as Director, chairperson of one or more Permanent Committees, Education Dean, Ex-President of another Board within Puerto Rico, or of the Puerto Rico Association of REALTORS®. To be nominated President-Elect, such member must have been elected for two (2) years commencing from his/her election as President-Elect. To be a candidate for President-Elect, the interested Member shall have a future term for Director of the Board for no less than two (2) years.

Section 2. Duties of Officers.

The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Secretary to keep the records of the Board and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the Puerto Rico Association of REALTORS®. In addition, the following are the duties of the Officers of the Board of Directors:

a) **President:**

- (1) Direct the Board's institutional policies according to these Bylaws, the General Assembly's determinations and decisions of the Board.
- (2) To carry out all resolutions and decisions approved by the General Assembly. In the event that because of an unforeseen cause such approved resolutions and decisions can not be carried out, the President shall explain such reasons in the annual report.
- (3) Represent the Board in all public acts, and in case of absence, he/she shall be substituted by the Vice President. If the Vice President is unavailable he/she shall be substituted by the Secretary.
- (4) Coordinate the proceedings of the General Assembly and of the Board and preside its meetings.
- (5) To convene and hold ordinary and extraordinary meetings of the Board and General Assembly.
- (6) To issue the necessary payments of expenses together with the Treasurer, in accordance to these Bylaws and the Approved Annual Budget, ensuring not to exceed the total budgeted expenses.
- (7) To sign together with the Secretary all the minutes of the Board and General Assembly Meetings.
- (8) Prepare a report of the Board's activities, and present the report to the General Assembly at the end of his or her term.
- (9) Appoint or remove the Presidents of all Board Committees with the approval of the Board of Directors.
- (10) Will be an *Ex-Officio* Member of all Board Committees.
- (11) Recommend for the approval by the Board of Directors an In-house Legal Counsel and External Auditor, as well as other contractors to carry out the institutional policies of the Board, as deemed necessary.
- (12) The President's expenses will be according to the Annual Budget approved by the General Assembly, and such expenses will be prorated in strict accordance to the corresponding activities. Also he or she shall have a fixed amount expense per each programmed activity, and in case such expense is not incurred, it will be passed on to the next year budget.
- (13) Will take oath, or designate the person taking the oath, to new Board members presented by the President of New Members Committee.
- (14) Will designate the person taking his oath to the position of President.
- (15) Will appoint the person taking oath to the members of the Board of Directors.
- (16) Will not submit to members, without the approval of the Board of Directors, any goals and achievements communications.

b). **Duties and Obligations of President-Elect (Vice President):-**

- (1) Shall be the first in line of succession to the President in the event of his or her removal, resignation, disability or death, carrying out all the inherent duties of the Presidency.
- (2) Substitute the President in case of his or her absence.
- (3) Collaborate with the President in the execution of all duties and obligations.
- (4) Serve as liaison between the Board of Directors and the Committees, as designated by the President, and render a written Monthly Report to the Board of Directors, concerning all activities of the Committees.
- (5) Serve as liaison between the Board and other related professional associations.

c). **Duties and Obligations of Secretary:**

- (1) Shall be the second in line of succession to the President in the event of his or her resignation, disability or death, carrying out all the inherent duties of the Presidency.
- (2) Substitute the President (Vice President) in case of their absence.
- (3) Draft and subscribe with the President the minutes and notices of the General Assembly.
- (4) Draft and subscribe with the President the minutes of the Board of Directors for its approval.
- (5) To keep and maintain annually the Minutes Book.
- (6) Certify all the agreements and resolutions of the Board of Directors.
- (7) To sign together with the President the Annual Report of the activities of the Board of Directors.
- (8) To follow up on the resolutions, determinations and decisions approved by the General Assembly. In a period of no more than thirty (30) days after the last General Assembly, submit to the Board of Directors a list of such resolutions, determinations and decisions for its consideration, implementation and execution.
- (9) Custody the official seal of the Board and all documents related to the Board. Could delegate this function to the Chief Staff Executive.

d). **Duties and Obligations of the Treasurer:**

- (1) Shall be the third in line of succession to the President in the event of his or her resignation, disability or death, carrying out all the inherent duties of the Presidency.
- (2) Substitute the President, Vice President and Secretary in case of their absence.
- (3) Prepare and elaborate the Income and Expenses Budget Report for the acting year, in conjunction with the remaining members of the Board of Directors.
- (4) Direct the collection, use and conservation of all funds and assets of the Board, and ensure that expenditures do not exceed the Approved Annual Budget.
- (5) Pay all disbursements ordered by the President, provided they are already budgeted, and keep accounting records of such transactions. Nevertheless, the Treasurer shall not make any disbursement of funds not contemplated in the Approved Annual Budget, except in the case there is an emergency situation, and for such situation a new budget item shall be created.
- (6) Supervise the Accounting Books, establishing sound procedures accounting rules. Supervise the purchase and payment accounting procedures. Keep and maintain the Treasurer Manual.

- (7) Present a Monthly Report to the Board of Directors regarding the financial transactions of the Board.
- (8) Permit that the accounts, books and documents of Treasury be examined by the Finance Committee of the Board and the External Auditor.
- (9) Render an Annual Report to the General Assembly.
- (10) Keep in conjunction with the Chief Staff Executive, the inventory of the Board non expendable property; acknowledge the inventory before a notary public in a notarial act.
- (11) Revise annually the Board's Bi-Monthly Economic Plan
- (12) Recommend to the Board of Directors and the General Assembly all those measures and amendments to the Board By Laws that best promotes the fiscal administration of the funds, assets, and investments of the Board.
- (13) Should immediately object and oppose to the any expenditure not covered by the Approved Annual Budget, and ask the Board of Directors by way of the President to declare the expenditure out of order for not complying with the Board By Laws.
- (14) Responsible of initiating procedures of enforcing rules and regulations relating to the suspension of members and termination of membership for failure of payment of dues, in accordance to these By-Laws.

e). **Duties and Obligations of Chief Staff Executive:**

This Chief Staff Executive is the executive and administrative official of the San Juan Board of REALTORS®, being the only one paid employee, and who is appointed by the President and Board of Directors. This official will serve as a non-voting Member of the Executive Committee; will recommend and participate in the formulation of the objectives and policies of the Board, assuring the achievement of such policies and objectives. Will have the principal role of planning, organizing, coordinating and directing the duties and functions of other employees of the Board. Shall provide information for the achievement of member and Board goals, new plans, modifications of systems, services and procedures. Will execute the priorities and institutional policies and recommend to the Board of Directors the administrative affairs and matters within the limitations of the approved Annual Budget. Will always report to the Board. Shall not employ nor contract any person without the approval of the Board. The Chief Staff Executive will render a Monthly Report to the Board of Directors, and will prepare an Annual Report together with the Treasurer and President-Elect, to be presented to the Board of Directors, and if approved, it will be submitted to the General Assembly by the Treasurer and/or the President-Elect.

Section 3. Board of Directors. The governing body of the Board shall be a Board of Directors consisting of nine (9) elected Directors. Directors shall be elected to serve for terms of three (3) years, except that at organization, one-third of the elected Directors shall be elected for terms of one (1), two (2), and three (3) years, respectively, or for lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many Directors shall be elected each year as are required to fill vacancies. The member of the Board aspiring to the Board of Directors shall have been a member of the Board for a minimum of one (1) year.

Section 4. Election of Officers and Directors.

- (a) At least two (2) months before the annual election, a Nominating Committee of three (3) REALTOR® Members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select one (1) candidate for each office and one (1) candidate for each place to be filled on the Board of Directors. 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 three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least five (5) of the REALTOR® Members eligible to vote. The petition shall be filed with the Secretary at least two (2) weeks before the election. The Secretary shall

send notice of such additional nominations to all 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.
- (c) The President, with the approval of the Board of Directors, shall appoint an Election Committee of three (3) REALTOR® Members to conduct the election. The Active Members present at the Annual Meeting of Members could nominate additional candidates to cover such vacancies, subject the additional candidates are present at the Annual Meeting of Members. The Members will nominate the Board of Directors, and later the President-Elect, according to Article XI, Section 1. The election is by secret ballot, depositing the vote by each one of the voters. The ballot shall contain the names of all candidates and the offices for which they are nominated. The procedure for the election of the President-Elect is the same as for the elections of the Officers of the Board, notwithstanding that one or more candidates for the office, could be nominated among the Directors. In case of a tie vote, the issued shall be determined in a second voting round.

Section 5. Vacancies.

Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election. The appointment for the vacancy should be on the candidate who in the General Assembly obtained the second higher number of votes, if still available to hold the position. If by any reason, a President of the Board could not finish its tenure, the President-Elect (Vice President), if available and willing, should take that position. If the President-Elect (Vice President) is unavailable, the Secretary should fill up the vacancy, if available and willing. If the Secretary is unavailable or unwilling, a triumvirate shall be appointed, consisting of the President-Elect (Vice President), and the third member selected by the Board of Directors, all with equal rights and responsibilities.

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 President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- (b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Board shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.
- (c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Board unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

Article XII - Meetings

Section 1. Annual Meetings.

The annual meeting of the Board shall be held during December of each year, the date, place, and hour 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. Absence from three (3) regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation. 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. (Amended 05/2013)

Section 3. Other Meetings.

Meetings of the Members may be held at other times as the President 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 to every Member entitled to participate in the meeting with at least fifteen (15) days preceding. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum.

The quorum for meetings of Members on first call shall consist of Ten Percent (10%) of the Members eligible to vote. If quorum is not met, after thirty (30) minutes a second call will be made, where quorum shall be established with the eligible Members present at the meeting.

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 a consent in writing setting forth the action so taken shall be signed by all of the directors. The consent shall be evidenced by one (1) or more written approvals, each of which sets forth the action taken and bears the signature of one (1) or more directors. All the approvals evidencing the consent shall be delivered to the Secretary 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.

The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, the following standing committees:

- * Professional Standards
- * Grievance
- * Multiple Listing (when the MLS is a Committee)
- * Finance
- * Legislative
- * Public Relations
- * Membership
- * REALTOR® Protection

- * Education
- * REALTOR® of the Year

Section 2. Special Committees.

The President 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 duties, functions, and powers as assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

Section 4. President.

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

Section 5. 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, which may be submitted electronically.

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 President and shall constitute presence at the meeting.

Section 7. Executive Committee.

- (a) This Committee is formed after the General Assembly is held, and shall be composed by the President, President Elect, Treasurer, Secretary, and one (1) Director (who obtained the highest number of votes in the General Assembly). The Chief Staff Executive shall be a member of this committee with voice but without vote. Quorum for this committee shall consist of three (3) members.
- (b) Powers
 - (1) Act upon the matters approved by the Board of Directors.
 - (2) Act upon any emergency issue by majority approval, to be ratified in the next meeting of the Board of Directors.
 - (3) Address the administrative issues of major priority within the Board.
- (c) The Secretary of this committee shall be the Secretary of the Board of Directors, and shall submit a report to the committee containing the decisions of the Board of Directors for its ratification.
- (d) The committee shall meet as the President deems necessary.

Article XIV - Fiscal and Elective Year

Section 1. The fiscal year of the Board shall be 01/01 to 12/31. (Amended 1/05)

Section 12. The elective year of the Board shall be 01/01 to 12/31. (Adopted 1/05)

Article XV - Rules of Order

Section 11. Roberts Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Board, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

Article XVI - Amendments

Section 1.

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

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed to every member eligible to vote at least fifteen (15) days 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 Board shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

Article XVII - Dissolution

Section 1. Upon the dissolution of this Board, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Puerto Rico Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

Article XVIII - Multiple Listing Service

Section 1. Authority. The Board of REALTORS® shall maintain for the use of its members a Multiple Listing Service which shall be subject to the Bylaws of the Board of REALTORS® and such rules and regulations as may be hereinafter adopted, include the fullest application of the Code of Ethics of the NATIONAL ASSOCIATION of REALTORS®.

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

Section 3. Participation.

Any REALTOR® of this or any other Board 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 “membership” or “participation” unless they hold a current, valid real estate broker’s license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation” or “membership” or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

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

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

* 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.

Section 4. Supervision.

The activity shall be operated under the supervision of the multiple listing committee, in accordance with the rules and regulations, subject to approval of the board of directors of the Board.

Section 5. Appointment of Committee.

The President shall appoint, subject to the confirmation of the Board of Directors, a multiple listing committee. All members of the committee shall be participants in multiple listing except, at the option of the local Board, REALTORS® (or REALTOR-ASSOCIATE®s, where applicable) affiliated with participants may be appointed to serve in such numbers as determined by the Board. The committee shall select its chairperson from among the members thereof. (The chairperson may be designated by the President.)

Section 6. Vacancies.

Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7. Attendance.

Any committee member who fails to attend three (3) consecutive regular or special meetings of the committee, without excuse acceptable to the chairperson of the committee, shall be deemed to have resigned from the committee and the vacancy shall be filled as herein provided for original appointees.

Section 8. Subscribers.

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants.

Section 9. Access to Comparable and Statistical Information.

Board Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, 'sold' information, and statistical reports. This information is provided for the exclusive use of Board Members and individuals affiliated with Board Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm except as otherwise specified in the MLS rules and regulations. Board members who receive such information, either as a Board service or through the Board's MLS, are subject to the applicable provisions of the MLS rules and regulations whether they participate in the MLS or not.

Membership Policy Statements Approved by the Board of Directors NATIONAL ASSOCIATION OF REALTORS®

(The following policy statements are informational, and not part of the Bylaws.)

Statements of Membership Policy Related to Implementation of Board of Choice

That, effective upon approval by the Board of Directors, the following statements of membership policy and amendments to the Model Board Bylaws to implement the board of choice proposal be adopted.

The primary board of affiliation elected by a REALTOR® must be in the state where the REALTOR® is licensed and maintains his/her principal place of business. Licensees affiliated with a REALTOR® firm may choose as their "primary" board any board in the state where the firm maintains a "Designated" REALTOR®.

Membership shall be available in a secondary board on terms and conditions no more stringent than the requirements established in the board's Bylaws for REALTOR® and (REALTOR-ASSOCIATE® where applicable) membership. The privileges of membership shall be the same including the right to vote and hold office. Membership will be granted to individuals who hold REALTOR® or REALTOR-ASSOCIATE® membership in their primary board without any requirement that the Designated REALTOR® they are licensed or affiliated with hold membership in the secondary board. However, MLS services will only be available if the Designated REALTOR® participates in the MLS. Board dues shall not include a national allocation since NAR dues have been paid through the member's primary board. A state allocation may only be included if the members primary board is located in a different state.

REALTORS® shall be entitled to purchase services from boards other than their primary board without the necessity of holding membership in those boards. Service fees will be determined by the individual boards.

However, the board may require that a REALTOR® (principal) be licensed in the state as a condition of MLS participation. (Adopted 2/94; amended 11/96)

Concerning Board of Choice Across State Lines

That the membership choices currently provided under Board of Choice be expanded across state lines as follows:

Members may join a primary board across contiguous state lines. State association membership would be in the state where primary board membership is held. To become effective July 1, 1996, with optional local board adoption sooner. (Adopted 11/95)

Portability of Membership Records (Files)

In order to facilitate timely processing of applications for membership and to assist associations in determining an applicant's qualification for REALTOR® or REALTOR-ASSOCIATE® membership, associations shall, based on a request from another association, share information about current or former members. Minimum "core" member information shall include:

1. Previous applications for membership
2. All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years (when available)
3. Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties
4. Incomplete or (pending) disciplinary measures
5. Pending arbitration requests (or hearings)
6. Unpaid arbitration awards or unpaid financial obligations to the association or its MLS

An association may, at its discretion, consider information received from other associations when determining whether an applicant satisfies the association's membership requirements as established in the association's bylaws (not to exceed NAR Membership Qualification Criteria). (Adopted 2/96)

Clarification of the Term "Principal"

The term "principal" as used in the NAR Constitution and Bylaws and in other relevant policies, includes licensed or certified individuals who are sole proprietors, partners in a partnership, officers or majority shareholders of a corporation, or office managers (including branch office managers) acting on behalf of principals of a real estate firm. (Adopted 11/96)

Secondary Membership in a Board/Association

When a member has joined a primary association and paid local, state, and national dues, secondary membership may be held in a local association in another state (provided the applicant meets all of the qualifications for membership) without holding membership in that state association, or alternatively, secondary membership may be held directly in the state association without holding membership in a local association in that state. (Adopted 11/96)

Membership Requirements Related to Multiple Office Locations

When considering an applicant for REALTOR® membership who is a principal in a real estate firm, associations have an obligation to determine that all of the principals of the real estate firm who are actively

engaged in the real estate business in the state are either applying for or already hold REALTOR® membership (or Institute Affiliate membership, if applicable) in a board or association. (Adopted 11/96)

If an association (local, state, national) is notified by another association that a REALTOR® member has an office location elsewhere in the state that is not functioning as a “REALTOR®-office” (i.e., licensees affiliated with the office are not members or are not accounted for under the DR dues formula) the association where the REALTOR® holds primary membership shall be responsible, in cooperation with the state and national associations, for ensuring compliance with applicable membership policies (i.e., that said licensees hold membership in the REALTOR®’s primary association - or some other association in the state where the firm maintains a designated REALTOR® presence – or that dues have been paid to an association based on non-member licensees affiliated with the office. (Adopted 11/96)