

CONSTITUTION

1. The name of the Society is The Kamloops and District Real Estate Association.
2. The purposes of the Society are:
 - a. to establish, maintain and regulate Kamloops and District Real Estate Association;
 - b. to do all things necessary to promote interest in the marketing of real estate in all its aspects and to advance and improve the relations of the members of the Society with the public;
 - c. to advance and promote the interests of those engaged in the real estate business and to increase public confidence in and respect for those engaged;
 - d. to encourage the use of the designation "REALTOR®" and the MLS® trademark by the members of the Society and to encourage and promote the acceptance by the general public of such designation and such use thereof and to protect, as far as practical, the exclusive use thereof by the members of this Society and members of Canadian Real Estate Association;
 - e. to encourage the study of real estate in all its aspects and to promote the exchange of views between the members of the Society by affording opportunities for discussion, correspondence and attendance at lectures for the reading of papers and to disseminate useful information by circulation among the members of publications, data and forms;
 - f. to institute, promote, manage and maintain systems and plans for the listing and sale of real estate with the object of rendering the best possible service to the general public for the purchase and sale of real estate through the members of the Society by providing owners of real estate with a wide potential market and by providing purchasers of real estate with a wide selection of properties;
 - g. to institute, promote and manage plans or systems for the general benefit of the members of the Society in the conduct of their business connected with all aspects of real estate;
 - h. to purchase, lease, build or otherwise acquire any building(s), or space for the purpose of an institute, hall, college or lecture room, office, boardroom and to alter, reconstruct, equip and furnish the same for the promotion of the objects of the Society and to sell, mortgage, lease or otherwise dispose of the same when deemed advisable;
 - i. to promote, encourage and protect the ownership of real property in the areas served by the Society and to do all things which may be deemed necessary or advisable to make real estate a sound and desirable investment;
 - j. to assist in the development of the area served by the Society in the manner best calculated to promote the prosperity and wealth of the area and its inhabitants;
 - k. to advance the interests of the area served by the Society and its citizens by the collection and circulation of valuable and useful information pertaining to real estate, and to oppose the enactment of the laws detrimental to the said interests;
 - l. to foster an equitable system of taxation and assessment and to secure the enactment and enforcement of laws and ordinances for the further protection, convenience and welfare of real estate owners, lease holders and those engaged in all aspects of the real estate business;
 - m. to aid in the adjustment and settlement of any controversies or misunderstandings which may arise between members of the Society;
 - n. to secure the adoption and enforcement of sound rules of business conduct and dealing among those engaged in the real estate business;
 - o. to adopt CREA's REALTORS® Code to which all members shall be required to conform;

- p. to maintain and encourage membership in the Society of all those licensed under the Real Estate Services Act who are located in the area served by the Society;
 - q. to collect and make available to the members of the Society, information regarding all aspects of the real estate business in the areas served by the Society.
3. The operations of the Society are to be chiefly carried on in the Kamloops region of British Columbia as registered with British Columbia Real Estate Association and Canadian Real Estate Association.

BYLAWS

1. DEFINITIONS

In the By-laws, and Rules and Regulations:

"Agreed Statement of Facts" means a statement of facts, agreed to by the Professional Standards Committee members and the Defendant;

"Association" or **"Society"** means The Kamloops and District Real Estate Association;

"BCREA" means British Columbia Real Estate Association;

"CREA" means The Canadian Real Estate Association;

"Charge" means a written statement or Consent Order containing the specific allegations of misconduct as prepared by the Professional Standards Committee;

"Claimant" means in a Professional Standards Hearing, the party filing an Appeal of the decision of the Hearing Panel;

"Conflict of Interest" means members employed or engaged by the same brokerage shall be deemed to be in a conflict of interest in any proceedings pursuant to the Arbitration or Professional Standards provisions of these By-laws save and except that a member may be represented by a member employed or engaged by the same brokerage at an Arbitration Hearing or a Discipline Hearing;

"Consent Order" means a voluntary agreement worked out between the Defendant and the Professional Standards Committee.

"Defendant" means the member of the Association who has a formal complaint against them from the Professional Standards Committee, fellow member or a member of the public;

"Directors" mean the Board of Directors of The Kamloops and District Real Estate Association;

"Electronic Means" means any system or combination of systems, including but not limited to mail, telephonic, electronic, radio, computer or web-based technology or communication facility, that:

- a. In relation to a meeting or proceeding, permits all participants to communicate with each other or otherwise participate in the proceeding contemporaneously, in a manner comparable, but not necessarily identical, to a meeting where all were present in the same location, and
- b. In relation to a vote, permits all eligible voters to cast a vote on the matter for determination in a manner that adequately discloses the intentions of the votes;

"Executive Officer" means the chief staff person responsible for the general operation of the Association;

"KADREA" means The Kamloops and District Real Estate Association;

"Member" means a member of the Association;

"Officers" means the President, Vice President, Past President and the Executive Officer;

"Ordinary Resolution" means

- a. a resolution passed in a general meeting by the members of a society by a simple majority of the votes cast in person or, if proxies are allowed, by proxy;
- b. a resolution that has been submitted to the members of a society and consented to in writing by 75% of the members who would have been entitled to vote on it in person or by proxy at a general meeting of the society, and a resolution so consented to is deemed to be an ordinary resolution passed at a general meeting of the society, or
- c. if a society has adopted a system of indirect or delegate voting or voting by mail, a resolution passed by a simple majority of votes cast in respect of the resolution;

"Real Estate Services Act" means the current Real Estate Services Act;

“Reply” means the written statement of the Defendant filed in response to a Charge;

“Researcher” means an individual appointed by the Professional Standards Committee to carry out an investigation concerning the allegations of misconduct against a member and shall also mean the person appointed to present the case of the Professional Standards Committee before the Hearing Panel;

“Rules and Regulations” means in addition to these By-laws, the Directors may make by ordinary resolution, such Rules and Regulations as are deemed necessary to carry out the business and purposes of the Association;

“Special Resolution” means a resolution approved at a general meeting by a majority of not less than seventy-five percent (75%) of the votes of those members of the Society who, being entitled to do so, vote in person, or, where proxies are allowed, by proxy of which such notice as the By-laws provide, not being less than fourteen (14) days’ notice specifying the intention to propose the resolution as special resolution has been given. In the event of a vote where there is a five percent (5%) margin of the motion being accepted or rejected by those authorized to vote, a recount will be taken when requested by fifty-one percent (51%) of the members in attendance. The method of recount will be by secret ballot.

2. MEMBERSHIP

The Directors may grant membership to any brokerage, partnership, corporation or individual who files an application for membership in such form as prescribed by the Directors.

a. Corporate Member

Every individually licensed broker, licensed partnership or corporation licensed under the Real Estate Services Act of British Columbia and/or regulations under the Real Estate Services Act of British Columbia, to carry on business as a real estate broker shall, subject to the provisions hereinafter contained, be eligible for Corporate Membership in the Society. One person licensed as Managing Broker for the Corporate Member shall be named as the Active Member representing the Corporate Member. Corporate Membership and representation shall carry with it all of the rights and obligations of and for the service rendered through the Multiple Listing Service® of Kamloops and District Real Estate Association.

b. Active Member

All licensees licensed under the Real Estate Services Act of British Columbia (excepting those restricted to strata management, or property management) to carry on the business of real estate on behalf of a Corporate Member shall be deemed to be an Active Member in Kamloops and District Real Estate Association once membership has been approved by the Board of Directors. Such Active Membership shall cease in the event that the membership of the Corporate Member ceases, or is suspended as provided elsewhere in these by-laws. In the case of suspension of the Corporate Member, the membership of the Active Member shall be reinstated when the membership of the Corporate Member is reinstated, unless the Active Member has been suspended or expelled for reasons of discipline as hereinafter provided or as a result of inadequate educational credits for the licensing period.

3. GENERAL QUALIFICATIONS FOR MEMBERSHIP

The Directors may grant membership to individuals otherwise qualified or individuals acting as Managing Brokers, Associate Brokers or Representatives of a brokerage, partnership, corporation or institution engaged in the real estate business as long as such individuals have:

- 3.1 met uniform and reasonable financial criteria as determined by the Directors from time to time,
- 3.2 met uniform and reasonable educational criteria including the completion of such continuing education courses as are required by the Directors in the Rules and Regulations of the Association from time to time;
- 3.3 met uniform and reasonable standards of competency and integrity that are reasonably necessary for the protection of the public,
- 3.4 not been convicted of an indictable offence for which no pardon has been obtained,
- 3.5 submitted an application in the form prescribed by the Directors,
- 3.6 not been guilty of conduct which would be unbecoming to a member of the Association.

4 CLASSES OF MEMBERSHIP

The classes of membership shall be voting and non-voting.

4.1 VOTING MEMBERSHIP

The Association may grant voting membership to an individual licensed pursuant to the Real Estate Services Act as a Managing Broker, Associate Broker, Representative or Representative licensed under a Personal Real Estate Corporation and employed by, or acting in, any of the above capacities for a real estate brokerage, partnership or corporation engaged in the real estate business, which brokerage, partnership or corporation is a non-voting member.

4.2 NON-VOTING MEMBERSHIP

The Association may grant non-voting membership to any brokerage, partnership, corporation or individual under one of the following categories:

a. CONTRACT MEMBER

A partnership, corporation, government agency, bank, credit union, trust company, home inspectors, property manager(s), evaluator(s), appraiser(s), assessor(s), or other categories as approved by the Directors who are engaged in the real estate business in the area served by the Association.

b. HONORARY MEMBER

Any individual nominated at a general meeting for honorary membership having been previously engaged in the real estate business or having rendered outstanding service to the real estate business and being given unanimous approval at a General Meeting.

4.3 APPLICATION FOR MEMBERSHIP

Application for membership in the form prescribed shall be submitted to the Executive Officer.

Temporary approval for membership may be granted by the Membership Committee Chair, bringing the member application forward at the next regularly scheduled Directors' meeting for final approval.

On receipt of the application, the Directors may at their next scheduled meeting vote on the acceptability of the candidate. In the event the Directors do not approve the application by a vote of seventy-five percent (75%) of those in attendance at the meeting, the membership shall be refused.

4.4 CONDITIONS UNDER WHICH MEMBERSHIP SHALL CEASE

- a. Membership shall cease by written resignation of the member to the Association.
- b. Subject to these By-laws, the Directors may expel or suspend from membership any member whom:
 - (i) has been convicted of an indictable offence and has not obtained a pardon;
 - (ii) continues to employ or engage any person refused membership in accordance with the terms of these By-laws;
 - (iii) has changed ownership or control of its business without reporting same to the Directors;
 - (iv) fails to reapply as Managing Broker after an effective change in ownership or control;
 - (v) has been guilty of conduct unbecoming of a member of the Association;
 - (vi) violates any By-law or Rule and Regulation of the Association;
 - (vii) fails to pay, when due, all fees, charges and assessments that are in force; or
 - (viii) fails to satisfactorily complete the continuing education requirements as set by the Directors in the Rules and Regulations of the Association from time to time.
- c. A member who has been expelled or suspended from membership may reapply to the Directors for membership and may be reinstated to membership upon payment of such fees and upon such terms and conditions as the Directors may set.

4.5 MEMBER IN GOOD STANDING

Subject to sub-section 3.5; all members are in good standing except a member who has failed to pay current membership fees or any other subscription or debt(s) due and owing by the member to the Association. The member is not in good standing so long as the debt(s) remain unpaid or has not fulfilled the continuing education requirements.

4.6 RIGHT OF APPEAL

- a. The member may appeal expulsion or suspension under 4.4(c) by filing written Notice of Appeal specifying the reason thereof. This notice must be accompanied with a fee in the amount of Two Hundred and Fifty dollars (\$250) payable to KADREA.

At the conclusion of the Hearing process, the Hearing Panel will decide if the Claimant will receive any portion of the Two Hundred and Fifty dollar (\$250) fee rendered to begin the Hearing process.
- b. A member who has filed a Notice of Appeal under 4.6(a) accompanied by the appropriate fee shall be permitted to appear before the Directors at the next regular meeting or a special meeting if so ordered. The Directors may decide to uphold the expulsion or suspension or reinstate the member on such terms and conditions as deemed appropriate and any such decision shall be final and binding.

5 VOTING RIGHTS

5.1 Each voting member in good standing is entitled to one (1) vote and may vote personally or by proxy in the form as hereinafter set out or in such form as may be accepted by the Directors.

5.2 The instrument appointing a proxy may be in the following form:

<p>I, _____, of _____ in the Province of British Columbia, being a valid member of Kamloops and District Real Estate Association hereby appoint _____, as my proxy to vote for me on my behalf at the Annual, Special, Extraordinary, or General Meeting (as the case may be) of Kamloops and District Real Estate Association to be held on the ____ day of _____, ____</p> <p>_____</p> <p>Signature of Voting Member</p>

5.3 No more than two (2) proxies may be held by any voting member at any one (1) meeting.

5.4 All proxies shall be deposited with the Executive Officer or staff upon the member’s arrival at the meeting.

6 COMPOSITION OF THE BOARD OF DIRECTORS

6.1 The Society shall be managed by a Board of not less than five (5) and not more than seven (7) Directors, the number being determined from time to time prior to the Call for Nominations as the Directors see fit, and may include a Past President position. The Directors, with the exception of the Past President, will be elected as provided in section 7 to serve a two (2) year term. The position of Past President is for a one-year term and is not an elected position.

6.2 Consecutive Terms and Term Limits

Directors may be elected for up to eight (8) consecutive years, by any combination of terms. Subject to the following paragraph, a Person who has served as a Director for eight (8) consecutive years may not be re-elected for at least two (2) years following the expiry of his or her latest term.

Notwithstanding the foregoing, a Director who is elected as Vice-President in accordance with these bylaws in the final year of his or her term shall have his or her term as a Director extended for so long as he or she continues as Vice-President, President or Past-President, subject to the term limits for such positions. In the event a Person ceases to be Vice-President, President or Past-President (as the case may be) during an extended term, he or she will also automatically and immediately cease to be a Director.

In the event a Person ceases to be Vice-President, President or Past-President (as the case may be) during a term to which he or she was elected, that Person continues as a Director for the remainder of the elected term.

6.3 Extension of Term to Maintain Minimum Number of Directors

Notwithstanding the foregoing, if not enough Directors are elected and the result is that the number of Directors would fall below five (5), the Person or Persons previously elected as Directors may, if they consent, continue to hold office until such time as successor Directors are elected.

7 ELECTION OF DIRECTORS

- 7.1 There shall be a Nominating Committee appointed by the President with the approval of the Directors consisting of the Past President and two (2) additional members, or failing the availability of those individuals, such individuals as the Directors may determine.
- 7.2 Not less than sixty (60) days prior to the election date, the Nominating Committee shall request nominations from the membership at large.
- 7.3 All nominations together with Consent to Stand of the nominated party must be submitted to the Nominating Committee at least fifteen (15) days prior to the election date.
- 7.4 The election shall be in such form as may be accepted by the Directors. The Nomination Credentials Form (nominee information and biographies) will be circulated to all voting members not less than ten (10) days prior to the election date. All votes must be received no later than 12:00 noon on the election date.
- 7.5 To be eligible for election an individual must be a Voting member in good standing of the Association for not less than two (2) years prior to the election date.
- 7.6 The Nominating Committee shall endeavor to obtain sufficient nominations, encouraging candidates from all office/franchises, in each year to ensure that an election will be required. Should insufficient members seek the position of Director, all those who have been nominated will be declared "elected by acclamation" and the President may appoint individuals with approval of the Directors to reach the number indicated in 6.1
- 7.7 The election shall be held not less than thirty (30) days prior to the next Annual General Meeting.
- 7.8 Newly elected Directors shall take office immediately following the next Annual General Meeting. Directors-elect will be eligible to attend all functions of the Board of Directors (non-voting status) during the time in which they were elected and the next Annual General Meeting.

8 OFFICERS

Prior to the Annual General Meeting at a meeting called by the President, the newly elected Directors together with the Directors who will not be retiring shall elect from their number the next Vice President, and the Officer so elected shall assume office immediately following the next Annual General Meeting. The Vice President shall serve a term of one (1) year, and then serve as President for a term of one (1) year, immediately following the term as Vice President. Should there be a vacancy in the position of Vice President during the current term, the directors shall immediately elect from their number a Vice President, to take office once elected.

9 VACANCIES ON THE BOARD OF DIRECTORS

- 9.1 A vacancy shall exist if a Director is no longer able to serve for the balance of his/her term for the reason(s) stated:
- a. is declared bankrupt;
 - b. is declared mentally incompetent;
 - c. is convicted of any criminal offence;
 - d. resigns by notice in writing to the President or the Executive Officer;
 - e. has been absent for three (3) consecutive meetings of the Board of Directors or any four (4) regularly scheduled meetings in a calendar year;
 - f. resigns as a member or where such membership is terminated; or
 - g. licensing under the Real Estate Services Act has been suspended or terminated.
- 9.2 Except where a vacancy exists because of an increase in the number of Directors, should a vacancy occur on the Board of Directors, the Directors may at a regularly scheduled Directors' Meeting appoint any member who is qualified to fill the vacancy provided there is a quorum present. Such an appointed Director shall be in office only for the remainder of the term of the Director who caused the vacancy or until the election for the year whichever is shorter.

10 REMOVAL OF DIRECTOR

A Director may be removed before the expiration of his or her term of office by either of the following methods:

- (a) By Special Resolution; or
- (b) By Board Resolution.

Where a Director is removed by Special Resolution, the Voting Members may elect a replacement Director by Ordinary Resolution to serve for the balance of the removed Director's term of office. Where a Director is removed by Board Resolution, the Director proposed for removal has a conflict of interest and may not vote on the Board Resolution, but is entitled to not less than seven (7) days' advance notice in writing of the proposed Board Resolution and to address the Board prior to the vote on the resolution. The resulting vacancy may, in the Board's discretion, be filled by the Board in accordance with section 9.

11 BANKING AND EXECUTION OF DOCUMENTS

- 11.1 The Directors may, by resolution, set up such bank, trust company or credit union account(s) as they see fit or as required by law.
- 11.2 The execution of documents and use of the seal shall be under the signature of the Executive Officer or other designated staff member and one (1) of either the President or the Vice President, or alternatively, such other Directors, as by resolution, may be determined by the Directors.

12 COMMITTEES/TASK FORCES

- 12.1 Creation and Delegation to Committees

The Board may create such standing and special committees, working groups or task forces as may from time to time be required. Any such committee will limit its activities to the purpose or purposes for which it is appointed and will have no powers except those specifically conferred by a Board Resolution.

The Board may delegate any, but not all, of its powers to committees which may be in whole or in part composed of Directors as it thinks fit.

12.2 Standing and Special Committees

Unless specifically designated as a standing committee, a committee is deemed to be a special committee and any special committee so created must be created for a specified time period only.

A special committee will automatically be dissolved upon the earlier of the following:

- a. The completion of the specified time period; or
- b. The completion of the task for which it was created.

12.3 Terms of Reference

In the event the Board decides to create a committee, it must establish Terms of Reference for such committee. A committee, in the exercise of the powers delegated to it, will conform to any rules that may from time to time be imposed by the Board in the Terms of Reference or otherwise, and will report every act or thing done in exercise of those powers at the next meeting of the Board held after it has been done, or at such other time or times as the Board may determine.

12.4 Meetings

The members of a committee may meet and adjourn as they think proper and meetings of the committees will be governed by the rules set out in these Bylaws governing proceedings of the Board.

12.5 Dissolution of Committee

The Board may dissolve any committee by Board Resolution.

13 DUTIES AND POWERS OF DIRECTORS AND OFFICERS

13.1 AUTHORITIES

The Directors shall have authority to do all proper and lawful acts on behalf of the Association except those which, by these By-laws or by any statute, are required to be done by the Association at a general meeting.

13.2 OFFICERS

- a. Officers of the Association shall be comprised of the President, Vice President, Past President (if applicable) and Executive Officer.
- b. The President and the Vice President shall be ex-officio members of all committees, save that of the Nominating Committee.

The Signing Officers shall be comprised of the President, Vice President, Past President (if applicable), Executive Officer, and one (1) other Director if required. A Director, as designated by the President, shall be the Chair of the Finance Committee. This committee shall keep the Directors informed on all matters pertaining to finances, and shall make recommendations to, and review with, the

Executive Officer all matters that affect the Association's finances.

13.3 DUTIES OF PRESIDENT

The President will normally preside at all General Meetings and meetings of the Board and will oversee the other Officers and Directors in the execution of their duties.

The President may speak on behalf of the Association and the Board.

13.4 DUTIES OF VICE-PRESIDENT

The Vice-President will assist the President in the performance of his or her duties and will, in the absence of the President, perform those duties. The Vice-President shall also perform such additional duties as may be assigned by the Board.

13.5 EXECUTIVE OFFICER

a. Appointment of Executive Officer

The Board shall appoint an Executive Officer and is responsible to evaluate the Executive Officer's performance from time to time.

b. Duties of Executive Officer

The Executive Officer will be the chief of staff for the Association, responsible to manage the administration and operations of the Association. The Executive Officer shall direct and manage the Association's staff and shall regularly report to and advise the Board on all matters relevant to the affairs of the Association.

c. Removal of Executive Officer

The Executive Officer may be removed by Board Resolution.

14 GENERAL

14.1 GENERAL MEETINGS

a. The Annual General Meeting will be held within the first ninety (90) days of each calendar year at such time and place as the Directors may determine.

b. Two weeks' notice of an Extraordinary General Meeting or Annual General Meeting shall be given to each voting member.

c. General Meetings may be requisitioned pursuant to the Societies Act. Members of the Association may also convene an Extraordinary General Meeting provided that at least ten (10) percent of the membership petition for such a meeting, pursuant to the provisions of the Societies Act.

14.2 ORDER OF BUSINESS

The Directors shall set the agenda for Annual or Extraordinary General Meetings.

14.3 QUORUM

The lessor of twenty (20) voting members or ten (10) percent of the total voting members of the Association must be present at any Extraordinary or Annual General Meeting to constitute a quorum.

14.4 VOTING

a. Electronic Participation in General Meetings

The Board may, in its discretion, determine to hold any General Meeting in whole or in part by Electronic Means, so as to allow some or all Members to participate in the meeting remotely.

Where a General Meeting is to be conducted using Electronic Means, the Board must take reasonable steps to ensure that all participants are able to communicate and participate in the meeting adequately and, in particular, that remote participants are able to participate in a manner comparable to participants present in person, if any.

b. Each voting member shall be entitled to one (1) vote and every matter not calling for a special resolution shall be determined by a majority vote of at least fifty (50) percent plus one (1) of votes cast.

c. The Chair shall declare that a resolution has been carried or not carried unless a poll is demanded by no less than ten (10) members.

14.5 RULES OF ORDER

On points of order to be determined, where they are not provided for in these By-laws or in the Societies Act, then the latest edition of Robert's Rules of Order shall prevail.

14.6 ALTERATION OF THE CONSTITUTION, BY-LAWS AND RULES and REGULATIONS

The Constitution and By-laws of the Association shall not be altered save by Special Resolution. The Rules and Regulations of the Society can be changed, altered or added to on the recommendation from the majority of the Directors.

14.7 BORROWING POWERS AND INVESTMENT POWERS

- a. The Directors may borrow money on the credit of the Society, issue, sell or place securities of the Society or charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Society, including book debts, rights, powers, franchises or undertakings, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Society; PROVIDED that debentures shall not be issued without the passing of a special resolution, AND FURTHER PROVIDED that the borrowing or spending of amounts in excess of Fifteen Thousand dollars (\$15,000) excluding taxes, for anything other than the normal operating expenses of the Society must be approved by the membership at an Extraordinary General Meeting or Annual General Meeting.
- b. The Directors may invest such extraordinary funds as may be available in securities permitted pursuant to the terms of the Trustee Act. Such investments may be deposited with any financial institution as approved by the Directors.

14.8 ACCOUNTANTS

One or more Accountant(s) shall be appointed by the Association at the Annual General Meeting. It shall be the duty of the Accountant(s) so appointed to certify the financial statement(s) to the requirement of the Societies Act as at the end of the last fiscal year. The term of appointment shall not be more than thirty-six (36) months nor less than six (6) months.

14.9 DIRECTORS AND REMUNERATION

Directors shall be compensated for expenses reasonably incurred in the course of the business of the Association. Expenses shall be paid upon receipt and acceptance of the Association's Expense Claim Form. Directors are entitled to an honorarium, as budgeted and approved by the Directors.

14.10 OBSERVANCE OF BY-LAWS AND RULES and REGULATIONS

Every member shall comply with the By-laws and Rules and Regulations and policies of the Association and shall report any breach of same to the Directors in writing.

14.11 INTERPRETATION OF BY-LAWS AND RULES/REGULATIONS

On a question of interpretation regarding the By-laws, Rules and Regulations or any policies or provisions of the Association, the answer shall be determined by the Directors by majority vote and their decision shall be final and binding on all members

14.12 INDEMNIFICATION OF DIRECTORS AND EMPLOYEES

a. SUBJECT TO THE SOCIETIES ACT:

The Society shall indemnify an employee or former employee of the Society and their heirs and personal representatives and shall, subject to the approval of the Supreme Court of British Columbia, indemnify a Director or former Director of the Society and their heirs and personal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by them, in a civil, criminal or administrative action or proceeding to which they are made a party by reason of being or having been a Director or employee; including an action brought by the Society if they acted honestly and in good faith with a view to the best interests of the Society, and in the case of a criminal or administrative action or proceeding, they had reasonable grounds for believing their conduct was lawful.

b. Subject to sub-section 14.12(c), the Society shall defend an action brought against a Director, former Director, employee or former employee of the Society and their heirs and personal representatives; for any act or omission done or omitted to be done or wrongfully attempted by the Director, former Director, employee or former employee in the discharge of their duties solely in their capacity as a Director or employee of the Society.

c. In the case of a Director or former Director, no such action shall be defended unless and until the Directors have made such arrangements, if any, as they consider reasonably necessary to recover the costs incurred by the Society in such defense, in the event a subsequent application for indemnification is not approved by the Supreme Court of British Columbia

14.13 COMPLIANCE WITH BY-LAWS, REGULATIONS AND POLICIES OF CREA

Every member of KADREA shall at all times comply with the By-laws including the REALTOR® Code and Standards of Business Practice, rules, regulations and policies of CREA and any other codes of conduct, ethics or practice adopted by the Association from time to time.

14.14 COMPLIANCE WITH BY-LAWS, REGULATIONS AND POLICIES OF BCREA

Every member of KADREA shall at all times comply with the By-laws including the Code of Ethics and Standards of Business Practice, rules, regulations and policies of BCREA.

14.15 To make a distribution upon the winding up of the Society to any charitable, educational or benevolent corporation(s) as may be designated by resolution in a general meeting, as no member of the Society has any rights to, or interests in, any distributive share of the assets or property of the Society; PROVIDED that any such body corporate must qualify as a tax exempt body as defined in the *Income Tax Act* in force at the time of such distribution. This provision was previously unalterable.

APPENDIX A - ARBITRATION

A1. ACCEPTANCE OF CONDITIONS

Each member acknowledges that the definitions as established in the Definition Section will apply and as a condition of becoming and remaining a member of the Association, the member has agreed:

- a. not to pursue a dispute with another member for the division or disposition of the commission arising from a MLS[®] real estate transaction by commencing an action or other legal proceedings against the other member;
- b. that any claim to all or part of a MLS[®] commission paid or payable to another member shall be resolved in accordance with this part of the By-laws;
- c. to be bound by the award of the Hearing Panel (or single Arbitrator if applicable) and that if the member fails to comply with the Arbitration Award it may be enforced against the member by the Association or by the member in whose favor the award was made;
- d. to exclude the jurisdiction of the court in connection with appeals and applications under Sections 31, 33 and 34 of the Arbitration Act;
- e. that, pursuant to Section 23 of the Arbitration Act, the arbitration may be decided on equitable grounds, ground of conscience and according to the established standards of business practice and ethics in the real estate business;
- f. to waive the provisions of Sections 4, 5, 6, 10 and 26(1) of the Arbitration Act; and
- g. that in the conduct of the arbitration, the Arbitrators may proceed in such a manner as they deem proper and shall be relieved from all judicial formalities and strict rules of law.

A.2 HANDLING OF CLAIMS

The claiming member (the "Claimant") shall deliver to the Executive Officer a concise written statement of the claim, signed by the Claimant which specifies the amount of the claim, together with such documents, records and other writings upon which the Claimant intends to rely, together with a certified cheque in the amount of Five Hundred dollars \$500 payable to the Association as a filing fee. The provisions of arbitration for commission dispute do not apply to listings that are not submitted to the MLS[®] system.

- a. At the conclusion of the Arbitration Hearing process the Hearing Panel will decide if the Claimant will receive any portion of the Five Hundred dollar (\$500) deposit rendered to begin the Hearing process.
- b. The Hearing Panel will decide the division of commission funds, if any, and so advise the Executive Officer to divide the funds based on the award. The cost of the Arbitration Hearing will be determined by the Hearing Panel and shall be included in the award.

A.3 DEADLINE FOR FILING

A claim must be filed with the Executive Officer:

- a. within five (5) days following registration in the Land Title Office of the documents relating to the transaction in question, or
- b. where no documents are to be registered in a Land Title Office, within five (5) days of the date the Claimant received notice that the transaction has completed and that the sale proceeds have been disbursed.

- c. A Notice of Intent to file an arbitration dispute may be filed as per sub-section A.2 at any time that a member feels an appropriate commission payment will not be made by another member.

A.4 REPLY TO A CLAIM (Dispute Statement)

Upon receipt of a claim, the Executive Officer shall forthwith forward a copy of the claim to the Defendant and their Managing Broker. The Defending member shall deliver to the Executive Officer at the Association Office within fourteen (14) days, a concise written statement in response. The Executive Officer shall forward a copy of the Defendant's response to the Claimant immediately upon receipt.

If the Defendant fails to file a response as required, a fine of Five Hundred dollars (\$500) will be levied. Should the claim proceed to an Arbitration Hearing, the amount of monies in dispute must be paid into the Association office.

A.5 COMMISSIONS IN TRUST

At least five (5) business days prior to the dispute being heard, the disputed portion of the commission by way of a certified cheque or an irrevocable and assignable Bank Letter of Credit in the equivalent amount of such portion shall be delivered to the Association. Failure to do so will result in immediate suspension of the Defendant from membership of the Association until the funds are submitted. Where the parties to an arbitration cannot agree upon the amount of monies in dispute or who must pay in those monies, the Arbitration Committee shall determine the amount of monies in dispute and which party or parties shall pay in those monies and this determination shall be final and binding upon the parties to the dispute. No hearing will be convened until the funds have been placed with the Association.

A.6 ALTERNATE FORM OF SECURITY

In the event it is found that the commission resulting from the transaction takes the form of some consideration other than Canadian funds, the Arbitration Committee shall be empowered to determine the value and method by which security is to be lodged in trust with the Association.

A.7 MEDIATION

Prior to the arbitration process the parties involved will be offered the opportunity to settle the dispute through voluntary mediation/conciliation. Both parties must agree before the process can begin. The cost for the Mediator will be at the current market rate; mediation to last a maximum of four (4) hours. The division of the costs will be at the discretion of the Mediator. Time required beyond this period will be charged at the discretion of the Mediator. At the time the parties agree to the procedure, they will be provided with the names of individuals who have been trained in the mediation process. In the event that parties cannot concur on the selection process of the Mediator, the Board of Directors may appoint a qualified individual. Should the Mediator not be able to reach consensus on agreement the case can be sent to the Arbitration Committee for resolution.

A.8 HEARING PANEL SELECTION

Within fourteen (14) days of receipt of the Dispute Statement, the parties will each select an individual to form the Hearing Panel. Once selected, the two (2) individuals will choose a third person to act as Chair of the Arbitration Hearing. Appointments to the Hearing Panel cannot come from the same offices as the parties involved with the arbitration work, or any office where the parties may have been employed or engaged in the previous eighteen (18) months. The Defendant and/or Claimant may object to any appointment to a Hearing Panel (maximum of two objections). In the event that parties cannot concur on the selection process of the Hearing Panel, the Board of Directors may appoint qualified individuals to form the Hearing Panel.

A.9 NOTICE OF HEARING

Fourteen (14) calendar days clear notice shall be given by the Chair of the Arbitration Committee to all parties to a dispute, with the said notice stating time, date and location of the Arbitration Hearing.

A.10 DELIVERY OF NOTICE OF HEARING

Unless otherwise set out, any notices required under this part of the By-laws may be emailed, mailed by registered mail or personal delivery to the address of the member as shown in the records of the Association. Where any notice is sent by registered mail to the Brokerage address of the member as shown in the records of the Association, it is deemed to have been received by that member forty-eight (48) hours after it has been sent (excluding Saturdays, Sundays and holidays.)

A.12 REPRESENTATION AT HEARING

At the Arbitration Hearing, the parties may be represented by legal counsel in an advisory capacity or by a member of the Association provided that if either party is to be represented by legal counsel they shall give written notification to the other party and the Hearing Panel Chair at least five (5) days before the date of the hearing. Parties attending a Hearing must have their Managing Broker in attendance.

A.13 FAILURE TO APPEAR

If the Claimant fails to appear at the Hearing, they will forfeit their deposit; if the Defendant fails to appear, a fine of Five Hundred Dollars (\$500) will be levied. Should either party fail to appear, the Arbitrator(s) may still proceed with an Arbitration Hearing and hand down an award based on the evidence presented.

A.14 POWERS OF THE ARBITRATOR

The Arbitration Hearing shall be heard within thirty (30) days of receipt of the Dispute Statement by the Executive Officer or at such time as the parties shall agree in writing or at such time as set by the Arbitration Committee Chair. The Arbitrator(s) shall possess all of the powers of Arbitrators under the Arbitration Act of British Columbia.

A.15 ARBITRATOR FEES

Arbitrator fees and expenses of any Arbitration Hearing shall be paid by one or both parties to the dispute as determined by the Hearing Panel and shall be included in the award. Any Arbitrator fees awarded shall be not more than those provided for in the Arbitration Act of British Columbia or schedules thereto.

A.16 INDEMNITY

Each member of the Association hereby waives any and every claim against the Hearing Panel (or single Arbitrator if applicable) arising out of any arbitration pursuant to this part of the By-laws.

A.17 CONFLICT OF INTEREST

Any member of the Arbitration Committee who is in a conflict of interest with either the Claimant or Respondent shall disqualify himself/herself from sitting as an Arbitrator pursuant to this part of the By-laws. Prior to the Arbitration Hearing, if either party claims that a member of the Arbitration Committee should be disqualified, the Directors shall decide whether the Arbitration Committee member is in a conflict of interest.

A.18 SUSPENSION OF MEMBERSHIP

The Directors may expel or suspend from membership any member refusing to submit to the arbitration procedure established in this part.

A.19 ARBITRATION AWARD

The award of the Arbitrator(s) shall be in writing, signed by the Arbitrator(s), and shall be forwarded to the Executive Officer, and shall contain the reason(s) for the award. The Executive Officer shall forward by email, registered mail or personal delivery a copy of the award to both the Claimant and Respondent.

A.20 DECISION OF ARBITRATOR

The decision of the majority of the Arbitrators shall be deemed to be the decision of all of the Arbitrators and shall be final and binding.

A.21 PROFESSIONAL STANDARDS COMMITTEE

If, in the course of arbitration proceedings, it is discovered that any member may have violated conditions of the Bylaws, REALTOR® Code, the Real Estate Services Act, or KADREA Rules or Regulations, the Arbitrators shall report the matter to the Professional Standards Committee for action thereon.

A.22 WAIVER OF CLAIM

All Members of the Association hereby waive all possible present and future claims against the Committee or any Arbitration Panel or any Arbitrator for any act or decision done or made by the Committee or any Arbitration Panel or any Arbitrator.

Appendix B – Professional Standards

B.1 JURISDICTION

- a. The Professional Standards Committee may either of its own initiative or upon receipt of a written complaint from any source proceed to investigate the conduct of any member of the Association.
- b. At any time after having received a written complaint or having proceeded on its own initiative, the committee may in its sole and absolute discretion decide that no further action should be taken in respect of the matter under investigation and such decision shall not be subject to review or appeal.

B.2 HANDLING OF COMPLAINTS

- a. In the event of a written complaint by one member of the Association against another member of the Association is received by the Executive Officer, the letter of complaint must be accompanied by a letter from the complainant's Managing Broker indicating that he/she has discussed the matter with the Respondent's Managing Broker and that all efforts to address the matter have been unsuccessful.
- b. In the event of a written complaint by a member of the public concerning any alleged breach of a By-law, the Rules and Regulations or some other apparent misconduct by a member, such complaint shall be forwarded by the Executive Officer to the attention of the member and Managing Broker against whom the complaint was made. The respondent's Managing Broker must provide written confirmation that all efforts to address the matter have been unsuccessful. Upon receipt of such confirmation, the complaint shall be forwarded to the attention of the Professional Standards Committee.
- c. Where the Professional Standards Committee has received a written complaint or where it is acting on its own initiative, the Chair of the committee shall appoint a Researcher to examine and determine the validity of the complaint.

B.3 POWERS OF THE RESEARCHER

- a. In the process of carrying out the investigation, the Researcher shall have the power to require any member to produce all records, documents, writings and/or other items within the possession of the member that may be required.
- b. Where a member fails or refuses to produce the documents and records when requested by the Researcher, the Board of Directors may terminate or suspend the membership of such member immediately and without notice.

B.4 REPORT OF RESEARCHER

Upon completion of the investigation, the Researcher shall file a written report with the Chair of the Professional Standards Committee setting out the recommendation(s) as to the disposition of the investigation together with the recommendation(s) and attach copies of all records, documents or writings obtained in the course of the investigation.

B.5 DISPOSITION OF RESEARCHER

Upon receipt and review of the Report of the Researcher the Chair of the Professional Standards Committee may determine that no further action be taken in respect of the complaint; or appoint two members of the Professional Standards Committee to prepare an Agreed Statement of Facts and Consent order, with the aid of the researcher, to be presented to the Defendant.

B.6 AGREED STATEMENT OF FACTS AND CONSENT ORDER

- a. Where the Chair of the Professional Standards Committee determines to prepare an Agreed Statement of Facts and Consent Order, the Statement shall set out all known facts related to the specific alleged misconduct or violation and the Consent Order shall present to the Defendant the terms of the Charge and sanction.
- b. The two appointed Members from the Professional Standards Committee, with the aid of the researcher, may amend the terms of the Consent Order as deemed reasonable in order that consent from the Defendant may be achieved.
- c. Once endorsed by both the Defendant and the Chair of the Professional Standards Committee, the terms agreed to shall be binding and final.

B.7 CONSENT ORDER IS NOT ACHIEVED

- a. In the event a Consent Order is not achieved, or fails to be endorsed by the Defendant and/or the Chair of the Professional Standards Committee, the complaint may be advanced to a formal hearing.

B.8 JURISDICTION OF THE HEARING PANEL

The Chair of the Professional Standards Committee may call for a Hearing to determine if the Defendant is engaged in the conduct as set out in the Statement of Facts, discipline any member as hereinafter provided, or process an appeal arising under sub-section B.14 of these By-laws.

B.9 PROCEDURAL MATTERS

- a. The Hearing Panel shall consist of three (3) members of the Professional Standards Committee to conduct the Hearing, one of whom shall be appointed as Chair. No member of the Hearing Panel shall be identified in B.5 above or have a conflict of interest in the matter.
- b. The Chair of the Hearing Panel shall determine a date for the Hearing and direct the Executive Officer to notify, in writing, the Defendant and the Researcher of the date set for the hearing. Such notice shall be sent by email, registered mail or by personal delivery at least fourteen (14) days prior to the date of the Hearing.
- c. At the Hearing the parties may be represented by legal counsel in an advisory capacity or by a member of the Association, provided that if either party is to be represented by legal counsel they shall notify, in writing, the other party and the Hearing Panel Chair at least five (5) days before the date set for the Hearing.
- d. On the date set for the Hearing, the Hearing Panel shall proceed to hear and determine the Charge. The failure of the Defendant to attend the Hearing shall not prevent the Hearing Panel from proceeding to make such a determination.
- e. At such a Hearing, the Hearing Panel shall have all the powers of Arbitrators under the Arbitration

Act of British Columbia.

- f. The parties to the Hearing are allowed to call as witnesses any person who may have knowledge of the matter in question.

B.10 DOCUMENTS

The Executive Officer shall cause all documents introduced as evidence at a Hearing to be kept in his/her custody until any appeal from the decision of the Hearing Panel has been disposed of.

B.11 DECISION OF THE HEARING PANEL

- a. The decision of a majority of the members of the Hearing Panel shall be deemed to be the decision of the Panel but if there is no majority the decision of the Chair of the Hearing Panel shall govern.
- b. The decision of the Hearing Panel shall be in writing and signed by the members of the Hearing Panel, specifying the discipline imposed, the reasons and indication if the decision was by a majority or unanimous.

B.12 DISCIPLINE

- a. The Hearing Panel in its decision may find the Defendant has not engaged in the conduct set out in the Agreed Statement of Facts and Consent Order *or* upon finding the Defendant has engaged in the conduct set out in the Charge impose one or more of the following:
 - i. a reprimand;
 - ii. a suspension of membership in the Association or from using any one (1) or more of the Association's facilities or services, or both, for such period of time as the Hearing Panel deems appropriate;
 - iii. a fine of not less than Two Hundred dollars (\$200) nor more than Two Thousand dollars (\$2,000);
 - iv. the costs of the hearing, which fees may be set by the Chair of the Hearing Committee from time to time;
 - v. expulsion from membership in the Association;
 - vi. order that the Defendant attend and successfully complete any courses of an educational nature as may be available through the Association and/or BCREA, including the passing of any examinations pertaining to the courses; or
 - vii. refer the matter to the Real Estate Council of British Columbia.
- b. Immediately upon the Executive Officer receiving it, a copy of the Hearing Panel's decision shall be forwarded to the parties of the Hearing by email, registered mail or personal delivery.

B.13 DELAYING OF DECISION

- a. The enforcement of the decision shall be delayed until after the time limit for an appeal has expired as per sub-section B.14.a. and where such an appeal is taken, until after the appeal is disposed of.
- b. Where an appeal is not filed as hereinafter set out, the decision of the Hearing Panel may be communicated to all members of the Association and Real Estate Council of British Columbia.
- c. Where a member does not file an appeal and fails to comply with the decision of the Hearing Panel, the membership of that member shall be terminated by the Directors at their next regularly scheduled meeting.

B.14 APPEAL OF DECISION

- a. An appeal of the Decision of the Hearing Panel may be filed by the Defendant (Appellant) within fourteen (14) days of the date of the decision, in writing, with the Directors.
- b. The appeal may be from a finding that the Appellant engaged in the conduct set out in the Charge or from the penalty imposed or both or that there was a procedural deficiency or lack of procedural due process in the initial hearing.
- c. The appeal shall be accompanied by a filing fee of One Hundred dollars (\$100).
- d. The appeal shall contain a concise statement of the grounds for the appeal.
- e. The appeal shall not be processed, dealt with or heard if the appeal is not filed within the fourteen (14) day period set out in sub-section B.14.a. hereof and/or if the filing fee is not delivered within the same fourteen (14) day period.

B.15 COMPOSITION OF APPEAL PANEL

The Appeal Panel shall consist of two (2) Directors who are not members of the Professional Standards or Hearing Panel, plus a Chair who shall be the President or another Director appointed by the President.

B.16 EVIDENCE

The Appellant shall not be allowed to call any new evidence since the appeal is to be decided only on the evidence as contained in the Record of the Hearing.

B.17 RECORD OF THE HEARING

For purposes of this part the Record of the Hearing shall include the following:

- a. the written Agreed Statement of Facts, Consent Order and/or Charge,
- b. the written Reply, if any,
- c. all notices sent to the parties by the Professional Standards Committee and Hearing Panel,
- d. any transcript or other summary of the evidence of the proceedings of the Hearing Panel including any tape-recordings of those proceedings,
- e. all exhibits entered into evidence at the hearing,
- f. the decision of the Hearing Panel including any reasons for the decision.

B.18 NOTICE OF APPEAL HEARING

- a. Notice of the date, time and place set for the Appeal Hearing shall be forwarded to the Appellant, in writing, by email, registered mail or personal delivery, by the Executive Officer, at least ten (10) days before the date of the Appeal Hearing.
- b. Where the Appellant fails to appear at the Appeal Hearing, the appeal shall be dismissed.

B.19 DISPOSITION OF APPEAL

- a. The Appeal Panel, by its decision may:
 - i. dismiss the appeal;

- ii. amend the decision of the Hearing Panel as the Appeal Panel deems appropriate;
 - iii. remit the matter back to the Hearing Panel for a new Hearing in whole or in part and at their discretion, by a differently constituted Hearing Panel; or
 - iv. impose any of the penalties as set out in sub-section B.12 of this article.
- b. The decision of the majority of the members of the Appeal Panel shall be deemed to be the decision of the Appeal Panel, but if there is no majority the decision of the Chair shall govern.
 - c. The decision of the Appeal Panel shall be in writing, be signed by the members of the Appeal Panel or the Chair to that Panel and set out the disposition of the appeal.

B.20 NOTIFICATION OF DECISION

- a. A copy of the Decision of the Appeal Panel shall be forwarded to the parties of the Hearing by email, registered mail or by personal delivery, immediately upon receipt by the Executive Officer.
- b. The decision of the Appeal Panel shall be final and binding and may be communicated to the members and/or to the Real Estate Council of British Columbia.

B.21 DEEMED RECEIPT OF NOTICES

Where any notice is sent by email and/or registered mail to the address of the member as shown in the records of the Association, it is deemed to have been received by that member forty-eight (48) hours after it has been sent (excluding Saturdays, Sundays and holidays.)

B.22 EFFECTIVE DATE OF DECISION

- a. Subject to the Appeal provisions as outlined in this article, the decision(s) of the Hearing Panel and/or of the Appeal Panel shall be considered effective on the date the decision(s) were given, unless the term(s) of the decision(s) provide otherwise.
- b. Any member who fails to comply with the decision of the Hearing Panel or the Appeal Panel, subject to filing an appeal as allowed in this article, may have their membership terminated by the Directors at their next regularly scheduled meeting.

B.23 INDEMNITY

Subject to the *Societies Act*, no member of the Association may prefer charges or sue for damages, any agent or employee of the Association or any member of the Professional Standards Committee and Hearing Panel or the Directors for any reason for what they did or failed to do in the administration of the provisions of this part and this section is hereby confirmed as an absolute defense against such charges or suit and each member hereby waives their right to file such charges or suit.