

BYLAWS OF THE
Lake of the Ozarks Board of REALTORS®, Incorporated
Revised February 26, 2024

ARTICLE I – NAME

Section 1. Name. The name of this organization shall be the Lake of the Ozarks Board of REALTORS®, Incorporated, hereinafter referred to as the “LOBR”.

Section 2. REALTORS®. Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of LOBR 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 LOBR 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 Missouri 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: All of Miller, Morgan and Camden Counties except an area defined as: Beginning at a point at the centerline of the Gravois Arm of the Lake of the Ozarks at the intersection of the centerline of Indian Creek, thence proceed along the centerline of Indian Creek North and East to the end of the Arm, thence due North along the East line of said Section 19, to the Northeast corner, thence along the northerly line of Section 20 and 21 of Township 41, Range 16, to the Morgan/Miller County line, then

following the County line North and East to the Northwest corner of Section 31, Township 42, Range 15 West, thence easterly along the northern line of Sections 31, 32, 33, 34, 35 and 36 of Township 42, Range 15 West; thence run South along the line between Range 14 and 15, through Township 41 and 40; thence along the easterly line of Sections 2, 11, 14, 23, 26, and 35 of Township 39, Range 15; thence west along the line dividing Townships 39 and 38 to Southeast corner of Section 32, Township 39, Range 15 West (said point being the southwest corner of the original jurisdiction); thence West along the line dividing Townships 39 and 38 to the Southwest corner of Section 31, Township 39, Range 16 West - or the centerline of Linn Creek; thence Northwesterly along the centerline of the Linn Creek Arm to the centerline of the main channel of Lake of the Ozarks (Osage River); thence run downstream along the centerline of said Lake to a point where the centerline of the Gravois Arm intersects with the centerline of the main channel; thence northerly up the Gravois Arm of the Lake to the point of beginning. (Releasing territory to the Bagnell Dam Area Board of REALTORS®)

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 in the terms.

ARTICLE IV – MEMBERSHIP

Section 1. There shall be seven 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 located within the state of Missouri or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Board of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the 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 describe in Section 1(b) of Article IV.

NOTE: REALTOR® Members may obtain membership in a “secondary” Board. ~~in another state.~~

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

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.

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 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 these Bylaws.

(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® Membership, subject to payment of applicable dues for such membership.

(c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a), (b) or (c) 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 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.

ARTICLE V – QUALIFICATION AND ELECTION

Section 1. Application

(a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize themselves with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of LOBR, the State and National Associations, and if elected a Member will abide by the Constitutions and Bylaws and the 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 controversies arising out of real estate transactions as specified in 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 LOBR, 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 LOBR 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.

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 they are actively engaged in the real estate profession and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of official sanctions involving unprofessional conduct*, has no record of recent or pending bankruptcy**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of LOBR, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, they will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

NOTE 1:

*“No record of official sanctions involving unprofessional conduct” is intended to mean that LOBR may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities; and (4) finding of violations of the REALTOR® Code of Ethics resulting in suspension or expulsion from any Member Board/Association in which applicant is or was a Member.

**“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 LOBR 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 Board 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.

NOTE 2:

Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an

employee or as an independent contractor with a Designated REALTOR® Member of LOBR or a Designated REALTOR® Member of another Board (if a secondary member), and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of LOBR, 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, and Rules and Regulations and the Code of Ethics.

(c) LOBR will 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 awards or unpaid financial obligations to any other association or 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; See Article V, Section 2(a) NOTE 2) provided all other qualifications for membership have been satisfied LOBR 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 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, LOBR may condition membership on the applicant's certification that they 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.

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

(a) Applicants for REALTOR® Membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of

membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in LOBR's bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within sixty (60) days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues shall be computed from the date of application and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, 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.

(d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Association Executive. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by LOBR for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

Section 4. New Member Code of Ethics Orientation. Applicants for REALTOR® Membership and provisional REALTOR® Members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® Membership or provisional Members who have completed comparable orientation in another association, provided that REALTOR® Membership has been continuous, or that any break in membership is for one (1) year or less.

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

Section 5. Continuing Member Code of Ethics.

Effective January 1, 2017, and for successive two (2) periods thereafter, each Board Member, REALTOR® Member, REALTOR-ASSOCIATE® Member and Life Member of the State Association (with the exception of a REALTOR® Emeritus Member) shall be required to complete bi-annual 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 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. Members who have completed training as a requirement of membership in another association and members who have completed the New Member Code of Ethics Orientation during any two (2) year cycle shall not be required to complete additional ethics training until a new two (2) year cycle commences. (2017)

Failure to satisfy this requirement shall be considered a violation of a membership duty. Failure to meet this requirement in any two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) 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. (2017)

Section 6. Status Changes

(a) A REALTOR® who changes the conditions under which they hold 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 they have been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within sixty (60) days of the date they advised LOBR of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® 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 sixty (60) days of the date LOBR 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 change in membership status occurs and shall be based on the new membership status for the remainder of the year.

ARTICLE VI – PRIVILEGES AND OBLIGATIONS

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

Section 2. Any Member of LOBR 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 not inconsistent with the 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 or 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 LOBR, Missouri REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® Member of LOBR may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership as in accordance with ~~the~~ Missouri Association of REALTORS® Statewide process of Professional Standards, 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 LOBR for dues, fees, fines, or other assessments of LOBR or any of its services, departments, divisions, or subsidiaries, LOBR 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 LOBR or otherwise causes membership to terminate with an ethics complaint pending, the Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that they will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

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

Section 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to LOBR are paid in full shall be entitled to vote

and to hold elective office in LOBR and may use the terms REALTOR® and REALTORS®, which use shall be governed by the provision of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of LOBR 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 themselves 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 LOBR 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 term REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in LOBR. 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 their connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in LOBR, 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.

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® or 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.

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

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

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

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

Section 12. Certification by REALTOR®. Designated REALTOR® Members of LOBR shall certify to LOBR when requested, on a form provided by LOBR, a complete listing of all individuals licensed or certified with the REALTOR®'s office(s) and shall designate a primary Board 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 Board based on said non-member licensees, the Designated REALTOR® shall identify the Board 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 Board of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days of the date of the affiliation or severance of the individual.

ARTICLE VII – PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of LOBR and of Board of Directors 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®, Missouri Supplement and the Missouri REALTORS® Professional Standards Statewide Process thereto, as from time to time amended, which by this reference is 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 LOBR to safeguard and promote the standards, interests, and welfare of the association and the real

estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members also abide by the governing documents and the policies of the association, Missouri REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®, as well as the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual.

Every REALTOR® member shall maintain a high level of integrity and adhere to the association's membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership.

Section 3. LOBR and REALTOR® Members are to adhere to the Code of Ethics. The enforcement, disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto, will be conducted and enforced through the Missouri REALTORS® Professional Standards Statewide Process, which by this reference is made a part of these Bylaws.

Section 4 The Board of Directors may create a grievance committee and/or professional standards committee from time to time, if deemed necessary.

ARTICLE VIII – USE OF THE TERM REALTOR® AND REALTORS®

Section 1. Use of the term 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. LOBR 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.

Section 2. REALTOR® Members of LOBR shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members of LOBR or Institute Affiliate Members as described in Section 1(b) of Article IV.

(a) In the case of a REALTOR® Member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the

right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® Membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® Membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

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

ARTICLE IX – STATE AND NATIONAL MEMBERSHIPS

Section 1. LOBR shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and Missouri REALTORS®. By reason of LOBR's Membership, each REALTOR® Member of the ~~Member~~ Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and Missouri REALTORS® without further payment of dues. LOBR 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. LOBR recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. LOBR 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. LOBR adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. LOBR and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Missouri REALTORS®.

ARTICLE X – DUES AND ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in a reasonable amount, not exceeding three 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 LOBR upon final approval of the application.

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 an amount as established annually by the Board of Directors, plus an amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such

REALTOR® Member, and (2) are not REALTOR® Members of any Board in the state or a state contiguous thereto 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 Section 2(a) (1) and (2) of this Article 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 state or a state contiguous thereto, 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.*

1. For the purpose of this Section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

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

(b) REALTOR® Members. The annual dues of each REALTOR® Member shall be in such amount as established annually by the Board of Directors.

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

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

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

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

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

Section 3. Dues Payable. State and National Dues, Fees and Assessments for all Members shall be payable annually in advance on the first day of January and become delinquent on January 15. A late charge of \$25.00 per Member shall be assessed if dues are not paid by January 15. Membership shall be suspended for any Member who has not paid dues by January 31. An additional \$25.00 late charge shall be assessed if dues are not paid by January 31. Membership shall be terminated if dues are not paid by the last day of February.

Local Board Dues, Fees and Assessments for all Members shall be payable on or before the first day of each quarter. A \$25.00 late charge shall be assessed if dues are not paid by the first day of the quarter. An additional late charge will be assessed if not paid within fifteen (15) days of the due date and membership will be suspended if not paid within thirty (30) days of the due date.

Dues shall be computed from the first day of the month in which application is received and shall be prorated for the remainder of the year.

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

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments 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, division, 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.

(a) Any Designated REALTOR® whose obligation is not fulfilled as required by this Article within thirty (30) days after billing is subject to suspension at the discretion of the Board of Directors and a late charge fee of \$25.00 per licensee employed by or affiliated as an independent contractor with the Designated REALTOR® shall be assessed. Sixty (60) days after billing, the membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid, including the \$25.00 late fee.

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

Section 6. Expenditures. The Board of Directors shall oversee the day to day finances of the Board, but shall not incur any single non-budgeted obligation in excess of \$15,000.00 without authorization by a majority vote of the Members present and eligible to vote at any meeting at which a quorum is present.

(a) The Board of Directors shall designate an amount to reimburse the President, State Directors, and such other Members as approved by the Board of Directors to attend State and National Meetings and any additional meetings the Board of Directors, at their discretion, approve.

(b) The proposed annual budget as developed by the Finance Committee and approved by the Board of Directors shall be presented to the membership and is subject to approval by a majority vote of the Members present and eligible to vote at any meeting at which a quorum is present.

Section 7. Notice of Dues, Fees, Fines, Assessment, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligation 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 8. 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. (Amended 11/2013)

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 and past treasurers 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 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. (Amended 11/2013)

ARTICLE XI – OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of LOBR shall be: a President, a Vice President, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person. They shall be elected for terms of one year.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Association Executive to keep the records of the Board and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the Missouri Association of REALTORS®.

Section 3. Board of Directors. The governing body of LOBR shall be a Board of Directors consisting of the elected officers, four (4) REALTOR® Members of the Board, and State Directors, the number of which is determined by the State Association. Local Directors shall be elected to serve for terms of three years, except that at organization, one-third of the elected Local Directors shall be elected for terms of one, two, and three years, respectively, or for lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many Local Directors shall be elected each year as are required to fill vacancies. One Local Director position shall be filled by the Immediate Past President for a term of one year. State Directors shall be elected and serve terms as determined by the State Association.

Section 4. Election of Officers and Directors.

(a) At least two (2) months before the annual election, a Nominating Committee of six (6) REALTOR® Members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select one candidate for each office and one candidate for each place to be filled on the Board of Directors. Commencing with the year 2023, and continuing each year thereafter, the outgoing President shall become the Immediate Past President Local Director for a term on one year. The report of the Nominating Committee shall be mailed or electronically transmitted to each Member eligible to vote at least four (4) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least twenty (20) percent of the REALTOR® Members eligible to vote. The petition shall be filed with the

Association Executive at least two (2) weeks before the election. The Association Executive 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. Elections shall be by ballot and all votes shall be cast in person either 1)at the meeting or 2)at the board office during regular office hours the day before or the day of the annual meeting. The ballot shall contain the names of all candidates and the offices for which they are nominated.

(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. In case of a tie vote, the issue shall be determined by lot.

Section 5. Vacancies. Vacancies among the Officers and Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election.

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

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership of LOBR 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 LOBR 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.

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

ARTICLE XII – MEETINGS

Section 1. Annual Meetings. The annual meeting of LOBR shall be held 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 regular meetings without excuse deemed valid by the Board of Directors shall be construed as resignation.

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 ten (10) percent of the REALTOR® Members.

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

Section 5. Quorum. A quorum for the transaction of business shall consist of fifteen percent (15%) of the Members eligible to vote.

Section 6. Virtual Voting. To the fullest extent permitted by law, the Board of Directors and/or Membership may conduct business by electronic means when deemed necessary by the Board of Directors. A vote taken at virtual meeting shall be deemed a ballot vote.

ARTICLE XIII – COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, Committees and Committee Chairs as deemed necessary.

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, function, 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.

ARTICLE XIV – FISCAL AND ELECTIVE YEAR

Section 1. The fiscal and elective year of the Board shall be the calendar year.

ARTICLE XV – RULES OF ORDER

Section 1. Robert's 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. These Bylaws may be amended by a 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 the amendments to the Bylaws which are mandated by the policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 2. Notice by mail, ~~fax~~, e-mail, and/or the MLS message board of all meetings at which such amendments are to be considered shall be given to every Member eligible to vote at least one (1) week prior to the time of the meeting.

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the use of the term REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of LOBR 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 LOBR, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Missouri Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVIII – MULTIPLE LISTING

Section 1. Authority. LOBR 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.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to the 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 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 Regulation 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)

Note: 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 or 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 on-going basis during the operation of the Participant’s real estate business. The “actively” requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

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

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants. (Adopted 11/08)

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.

Section 5. Appointment of Committee. The President shall appoint, subject to the confirmation of the Board of Directors, a Multiple Listing Committee of at least nine (9) and no more than twelve (12) REALTOR® Members. All members of the Committee shall be Participants in the Multiple Listing Service. The Committee members so named shall serve two-year terms. 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 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. MLS Meetings. The Committee may call meetings of the REALTORS® in the Service to be known as meetings of the Multiple Listing Service. All Committee Members have equal voting rights.

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 member's 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:

Previous applications for membership

All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years (when available)

Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties

Incomplete or (pending) disciplinary measures

Pending arbitration requests (or hearings)

Unpaid arbitration awards or unpaid financial obligations to the association or its MLS

Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm

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's 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)