

KANSAS CITY REGIONAL ASSOCIATION OF REALTORS®

BYLAWS



March 19, 2020

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Bylaws of the Kansas City Regional Association of REALTORS®,

Incorporated

Adopted by the Board of Directors on July 26, 2001
Approved by the Membership on November 15, 2001
Approved by the Membership July 7, 2003
Approved by the Membership August 20, 2004
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Approved by Membership November 16, 2017
Approved by Membership November 15, 2018
Modified by BOD on March 19, 2020 (NAR Required Amendments)

Article I - Name

Section 1. Name. The name of this organization shall be the Kansas City Regional Association of REALTORS®, Incorporated, hereinafter referred to as the "Association."

Section 2. REALTORS®. Inclusion of and retention of the Registered Collective Membership Mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

Article II – Mission/Objectives

Section 1. It is the mission of the Kansas City Regional Association of REALTORS® to serve as the regional voice of real estate and private property rights while providing innovative resources, tools, and education focused on member success and professionalism.

Section 2. The objectives of the Association are:

- (a) 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.
- (b) 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®.

- (c) 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.
- (d) To further the interests of home and other real property ownership.
- (e) To unite those engaged in the real estate profession in this community with the Kansas and Missouri Associations 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.
- (f) 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 Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® shall be the geographic area designated by the NATIONAL ASSOCIATION 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 Association agrees to protect and safeguard the property rights of the National Association in the terms.

Article IV - Membership

Section 1. There shall be 7 classes of members as follows:

- (a) **REALTOR® Members.** REALTOR® Members, whether primary or secondary shall be:
 - (1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Missouri or Kansas 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 association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV.

- (2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.
- (3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local association, state association and National Association.
- (4) Primary and secondary REALTOR® Members. An individual is a primary member if the Association pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another Board/Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.
- (5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.
- (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 individuals who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests concerning real estate, and are in sympathy with the objectives of the Association. Affiliate Membership is available to individuals who are not licensed to practice real estate, or individuals who are licensed to practice real estate and who do not elect to hold REALTOR® membership in the Association, provided the applicant is not engaged in the business of listing, selling, leasing, renting, counseling, or appraising real property.
- (d) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.
- (e) Retired Members. Upon written request, the Board of Directors may, by majority vote of those present at any regular or special meeting, elect as a retired member any Member who for

at least ten years immediately prior to such election shall have been a REALTOR® member of the Association, but who for reasons of age or physical disability shall have fully retired from engaging in the practice of the real estate business. Holding a real estate license shall not render him ineligible for such election.

- (f) Life Members. Life membership may be granted to a member of the Association who:
1. Has been a member of the local Association (including those former Boards that currently make up jurisdiction of local Association) for a minimum of forty years, has provided notable service and
 2. Holds a current Missouri or Kansas real estate license or a current license or certification as a real estate appraiser in good standing, with no pending complaints before the Kansas or Missouri Real Estate Commission, the Kansas or Missouri Real Estate Appraisers Commission, or the local Association or local Association owned MLS, or
 3. Has served as an officer of the NATIONAL ASSOCIATION OF REALTORS® or
 4. Is a past-President of the Missouri or Kansas Association of REALTORS®,

Applications for Life Member status shall be submitted by the candidate on an application form provided by the Association. The Board of Directors will review applications and Life Membership shall be conferred by a majority vote at any meeting of the Board of Directors.

Article V - Qualification and Election

Section I. Application

- (a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Local, State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Local, 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 by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification

- (a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Board through its Membership Committee or otherwise that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.
- (b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Board/Association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Local Association, the Bylaws of the State Association to which they belong, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and/or shall pass such reasonable and nondiscriminatory written examinations thereon as may be required and shall agree in writing that if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.
- (c) The Association may also consider the following in determining an applicant's qualifications for REALTOR® membership:
1. All final findings of Code of Ethics violations and violations of other membership duties in any other board/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 board/association or board/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 boards/associations or where the applicant for membership has unsatisfied discipline pending in another board/association (provided all other qualifications for membership have been satisfied). The Association 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 board/association with an ethics complaint or arbitration request pending the Association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the Association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. Election

The procedure for election to membership shall be as follows:

- (a) The duly authorized designee(s) of the association shall determine whether the applicant is applying for the appropriate class of membership. Applicants to REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues/special assessments 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 Executive Committee or Board of Directors. If the Executive Committee or Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's bylaws, or, if the individual does not satisfy all of the requirements of membership within sixty (60) days from the association's receipt of their application, membership may, at the discretion of the Executive Committee or Board of Directors, be terminated.
- (b) Dues shall be prorated from the first day of the month and shall be non-refundable unless the association's Executive Committee or 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 Executive Committee or 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 Executive Committee or Board of Directors may also have counsel present. The Executive Committee or 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 Executive Committee or Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Executive Committee or 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 the Association 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. Status Changes.

- (a) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within 30 days. A REALTOR®

(non-principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members, but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within 30 days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

- (b) Transfers: 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 30 days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors. It shall be the responsibility of the REALTOR®'s new principal to notify the Association of the transfer. Transfer is complete when the Association has been properly notified and any fees associated with transfer have been paid.
- (c) Application fees will be determined by the Board of Directors. 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.
- (d) Dues shall be prorated from the first day of the month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

Section 5. 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 year or less.

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

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

Section 6. Continuing Member Code of Ethics Training:

Effective January 1, 2019, through December 31, 2021 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to

complete ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS® which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three year cycle shall not be required to complete additional ethics training until a new three year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed. Failure to meet the requirement in any two 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 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.

Article VI - Privileges and Obligations

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

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics or its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Local Association, the State Association to which they belong, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 4. Resignations of Members shall become effective when received in writing by the Association, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

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

Section 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

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

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

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

Section 9. Honorary Members. Honorary Membership shall confer only the right to attend meetings and participate in discussions and be subject to obligations prescribed by the Board of Directors.

Section 10 Retired Members. Retired Members shall have all rights and privileges of membership, except the right to vote, hold office or use the term “REALTOR®” and be subject to obligations prescribed by the Board of Directors.

Section 11 Life Members. Life Members shall have all the rights and privileges and be subject to all of the obligations of REALTOR® Members, including the right to vote, hold elective office and receive Association Awards and be subject to obligations prescribed by the Board of Directors.

Section 12. Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association, on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary local board/association and state association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s

office(s) and if Designated REALTOR® dues have been paid to another board/association based on said non-member licensees, the Designated REALTOR® shall identify the board/association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of the individual.

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

Article VII - Professional Standards and Arbitration

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

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association to which they belong, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.

Section 3. The Association and Association Members are also responsible for the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, consistent with any cooperative professional standards

enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

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

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

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

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the states of Kansas or Missouri or a state contiguous thereto are REALTOR® Members of the Association 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 terms REALTOR® or REALTORS®, or the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

Article IX - State and National Memberships

Section 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Kansas and Missouri Associations of REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Kansas and/or Missouri Associations of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association agrees to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Kansas and Missouri Associations of REALTORS®. Association Members agrees to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and to the State Association to which they belong.

Article X - Dues and Assessments

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Association upon final approval of the application. Application fees are not refundable.

Section 2. Dues. The annual dues of Members shall be as follows:

- (a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association. (1) For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the

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

- (b)** A REALTOR with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR. Designated REALTOR shall notify the association within three (3) days of any change in status of licensees in the referral firm. Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR membership during the preceding calendar year.
- (c)** The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: The Institutes, Societies, and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$105.00). The National Association shall credit \$35.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$35.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$35.00 to the account of state association for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

- (d) Local dues shall be prorated from the first day of the month in which the application for membership is made and shall be based on the new membership status for the remainder of the year. State and National Dues will be prorated as per guidelines established by these bodies.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance on a date determined annually by the Board of Directors. Dues for new members shall be prorated from the first day of the month of application and granting of provisional membership.

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

Section 4 Transfer Fees A Transfer fee as determined by the Board of Directors shall be charged to each REALTOR® who changes affiliation. The transfer fee is due at the time a transfer is requested from the Association.

Section 5. Nonpayment of Financial Obligations.

- (a) **Dues/Special Assessments:** If dues/special assessments are not paid for a REALTOR® by the due date, the member will be suspended and a late fee as determined annually by the Board of Directors will be charged. All KCRAR & HMLS services are suspended at this time. If dues are not paid for a REALTOR® within one month after the due date, membership of the nonpaying Member shall be terminated unless within that time the amount due is paid. However, no action shall be taken to terminate 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 Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement. A late fee of \$25 per month will be assessed for each month dues are delinquent. Once membership has been terminated for delinquent dues or fees, and subsequently a person wishes to rejoin, they will be required to pay a reapplication fee and prorated dues.
- (b) **Reinstatement:** A former member who has had his membership terminated for nonpayment of dues, fees, fine or other assessments duly levied in accordance with the provisions of these Bylaws or other provisions of other rules and regulations of the Association or any of its services, departments of divisions 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.

Section 6. Deposit. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.

Section 7. Expenditures. The Board of Directors shall administer the finances of the Association. The financial books and records of the Association shall annually conduct an audit, review or compilation by a certified public accountant, as determined by the Board of Directors.

Section 8. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

Article XI - Officers and Directors

Section 1. Eligibility. Only REALTOR Members whose firms have offices in the jurisdiction of KCRAR and who have designated the Association as their primary or secondary Association for purposes of the NATIONAL ASSOCIATION OF REALTORS® whose firms have offices in the jurisdiction of KCRAR shall be eligible to hold an elective office.

A candidate for election as a Director or Officer must hold a valid real estate license in the State of Kansas or Missouri. The candidate must work primarily from an office in Kansas or Missouri. Members may not serve as an Officer of KCRAR while also serving as an Officer of any other REALTOR® Association.

Section 2. Officers. The Association shall have three officers, who must be REALTOR® Members, as follows: a President, a President-Elect, and a Treasurer. The President-Elect shall be elected for a one-year term by the Board of Directors no later than August 31st every year. To be eligible to be considered as a candidate for President-Elect or Treasurer, individuals must currently be serving as a Director or have served as a Director for at least one of the past 3 years. The President-Elect and the Treasurer shall be elected to a one-year term by a majority vote of the entire Board of Directors. The Treasurer may be reelected for a subsequent year. The election of the President-Elect and the Treasurer shall be done by the Board of Directors no later than August 31st every year. The Chief Executive Officer shall serve as the Secretary of the Association and shall be a non-voting ex officio member of the Board of Directors and the Executive Committee.

Section 3. Duties of Officers. The duties of the Officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Secretary to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the state associations.

Section 4. Board of Directors.

- (a) The governing body of the Association shall be a Board of Directors consisting of the three elected Officers, as specified above, the Immediate Past President of the Association, one Presidential appointee, one commercial representative elected by the Commercial REALTOR® members, the KAR Zone Vice President, the MAR District

Representative, the HMLS President, one Representative with a broker license from each of the two largest firms by member count on July 31 in the year of the election and appointed by the firm by the following January 1 to serve during the calendar year, one broker/owner or managing broker of a firm with twenty or fewer agents to be elected by Designated REALTORS of firms with twenty or fewer agents, all KCRAR appointed NAR Directors, one elected Director from each of the KCRAR Regions to be elected by REALTOR members in their respective Region, two at-large Directors elected by REALTOR members, two additional at-large Directors who must be broker/owners or managing brokers of a member real estate firm to be elected by Designated REALTORS of member firms. Of the elected Directors no more than three (3) from one company may serve at any one time, unless a change in company affiliation occurs after the Director is elected. All members of the Board of Directors shall meet the eligibility requirements as specified in Article XI, Section 1.

The Elected Directors shall be elected each year by the REALTOR® members for three-year terms.

- (b) Directors may not serve more than two consecutive three-year terms; except in instances when a Director is elected to be an Officer and that term as Officer exceeds the two consecutive three-year terms. Directors who have served two consecutive three-year terms must take at least one year off before running for Director again.
- (c) In the event the Association merges with one or more other boards/associations, with the Association being the surviving corporate entity, the Board of Directors shall be authorized to appoint additional Directors in any number from the merging board(s)/association(s) to serve until the next election of directors.

Section 5. Election of Directors.

- (a) Credentials/Election Committee. On or before August 1st of each year, a Credentials/Election Committee shall be established, comprised of the Immediate Past President of the Association, who shall serve as Chair, three members of the current Board of Directors, whose term in office is not expiring during the current year, and four additional REALTOR® members selected at-large, all of whom shall be appointed by the President, in consultation with the Executive Committee, and with the approval of the Board of Directors. A quorum for the meetings of the Credentials/Election Committee shall be five (5) members. The Credentials/Election Committee shall have three primary responsibilities: (1) to certify the slate of Officers to the Board of Directors for consideration; (2) to certify the slate of National Directors to the Board of Directors for consideration, and; (3) to certify the slate of Directors to the membership for consideration. Regarding the Credentials/Election Committee's task of presenting a slate of Directors for membership consideration, the Credentials/Election Committee shall select one or more candidates for each Director position who meet the qualifications as specified in Article XI, Section 1. The Credentials/Election Committee shall give utmost consideration to ensuring that all geographic, size, type, specialties and diversity of membership are considered when presenting the Nominating Slate. The report of the Credentials/Election Committee shall be distributed to the membership eligible to vote at least thirty (30) calendar days

preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least fifty (50) of the Members eligible to vote. The petition shall be filed with the Association at least twenty (20) calendar days before the election. The Association shall distribute notice of such additional nominations to all the membership eligible to vote at least fourteen (14) days before the election. Any REALTOR® nominated by petition must meet the qualifications as specified in Article XI, Section 1.

- (b) Election. The Board of Directors shall determine if the Election shall take place in person, electronically, or other method. In case of a tie vote, the issue shall be determined by name lot. The names of the candidates involved in the tie vote shall be placed in a receptacle. A name shall be drawn and shall be declared the winner. This process shall be supervised by 3 members from the Credentials/Election Committee, appointed by the President.
- (c) Election of Directors. The election of Directors shall take place during a day or days designated by the Board of Directors. Election shall be by secret ballot and votes may be cast in person, in writing by ballot, electronically, or other method as determined by the Board of Directors. Ballots shall contain the names of all candidates nominated, whether by the Credentials/Election Committee or by petition, and the offices for which they are nominated. The Board of Directors may approve and adopt a process for voting by proxy, balloting by mail or by electronic means. No votes for "write-in" candidates shall be accepted.

Section 6. Election and Assumption of Duties. The election of Directors shall take place between October 15th and December 1st of each year. All Officers and Directors shall assume the duties of office on January 1st of each year except those who are appointed by the Board of Directors to fill vacancies.

Section 7. Executive Committee. The Executive Committee shall be comprised of the three Officers as specified in Article XI, Section 2 (A), the Immediate Past President, two Directors appointed by the President for a one-year term, and the Chief Executive Officer. No more than four (4) members from the same firm, brand or franchise may serve on the Executive Committee at any one time. The Executive Committee shall be presided over by the President and shall meet at his/her call or by the call of a majority of the Executive Committee. The function of the Executive Committee is to transact business which is within the authority of the Board of Directors under the Bylaws and which is of an urgent nature between meetings of the Board of Directors, and which in the opinion of the President, or the majority of the Executive Committee, does not require a decision of the entire Board of Directors. Any and all such actions of the Executive Committee shall be reported in full to the Board of Directors at the next meeting thereof and said Directors shall ratify, confirm or overrule all such actions. The Executive Committee shall conduct an annual performance review of the CEO and shall have the authority to determine the compensation and all other contractual matters related to the CEO.

Section 8. NAR Directors. NAR Directors shall be appointed by a majority vote of the Board of Directors. Nominees for NAR Director shall have been a member of the KCRAR Board of Directors or the Heartland Board of Directors for at least one year during the past three years.

Section 9. Vacancies. Vacancies that occur among the elected Officers and Directors of the governing body at any time shall be filled by appointment by the Board of Directors.

Section 10. 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 either of the following procedures:

- (a) Initiated by Petition of Membership.
 - a. A petition requiring the removal of an Officer or Director and signed by not less than one-third (1/3) of the voting membership shall be filed with the President, and shall specifically set forth the reasons the individual is deemed disqualified from further service. If the President is the subject of the petition, it shall be filed with the next ranking Officer.
 - b. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting Membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director and to render a decision on such petition.
 - c. Notice of the special meeting shall be distributed to all voting Members at least ten (10) calendar days prior to the meeting. The special meeting shall be conducted by the President of the Association, 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 by the Members. A three-fourths (3/4) vote of Members present and voting shall be required for removal from office.
- (b) Initiated by Directors.
 - a. A petition requiring the removal of an Officer or Director and signed by a majority of all Directors shall be filed with the President and shall specifically set forth the reasons the individual is deemed disqualified from further service. If the President is the subject of the petition, it shall be filed with the next ranking Officer. Upon receipt of the petition, the President or next ranking Officer, if appropriate, shall immediately give at least ten (10) days advance written notice to all Directors of a Special or Regular Meeting of Directors to be held to consider said petition of removal. At said meeting, the Officer or Director in question shall be removed if at least three-quarters (3/4) of all Directors entitled to vote, not including the Officer or Director against whom said petition of removal was filed, vote for the removal of said Officer or Director. If more than one-half (1/2) but fewer than three-quarters (3/4) of the Directors entitled to vote, vote for removal, then the provisions of subparagraphs B(2) and B(3) below shall be followed to refer the matter directly to the membership. If one-half (1/2) or less of the Directors entitled to vote, vote for removal, then the Officer or Director in question shall not be removed as a result of the filing of the petition for removal that was voted upon.
 - b. If the Petition seeking removal of an Officer or Director is referred to the membership under subparagraph B(1) of this Section, a special meeting of the voting membership of the Association shall be held not less than twenty (20) days

nor more than forty-five (45) days after the vote taken by the Board of Directors under subparagraph B(1). 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. Notice of the special meeting shall be distributed to all voting Members at least ten (10) calendar days prior to the meeting. The special meeting shall be conducted by the President of the Association, 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 by the Members. A three-fourths (3/4) vote of Members present and voting shall be required for removal from office.

Section 11. Chief Executive Officer. There shall be a Chief Executive Officer who shall be employed by the Board of Directors. He/she shall be the Chief Executive Officer of the Association and responsible to the President and the Board of Directors. The Chief Executive Officer shall have the authority to hire, supervise, evaluate and terminate other staff and shall perform such other duties as prescribed by the Board of Directors.

Section 12. Indemnification

- (a) In the event of suits or claims in which one or more current or past officers, directors, committee members or employees of the Association or any entity thereof, are named as a result of their status as such or decisions or actions taken in good faith and reasonably understood to be within the scope of their authority or employment during their term as such, the Association shall, directly or through insurance secured for the benefit of such defense, pay reasonable expenses incurred in advance of final disposition of such case. The Association shall indemnify such officers, directors, committee members or employees with respect to any liability assessed or incurred as a result of any such claim, suit or action.
- (b) The above state defense and indemnification shall extend to those individuals when serving at the request of the Association, but only after indemnification and insurance coverage from such other entity has been exhausted.

Article XII- Meetings

Section 1. Annual Meetings. The annual meeting of the Association shall be held each year; the date, place, and hour to be designated by the Board of Directors. Notice of this meeting shall be given to every member entitled to participate at least one (1) week preceding the meeting.

Section 2. Meetings of Directors. The Board of Directors shall meet as necessary. Absence from three regular meetings within one (1) calendar year shall be construed as resignation. Any Director may appeal this resignation to the Board of Directors. A quorum for transaction of business at a Directors meeting shall be a simple majority of those entitled to vote. Notice of Association meetings shall be given to every Director at least one (1) week preceding the meeting.

Section 3. Other Meetings. Other Meetings of the Association may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least 50 of the Members eligible to vote. Notice of Other Meetings shall be given to every member entitled to participate at least twenty (20) days preceding the meeting. If a special meeting is called, it shall be accompanied by a statement of purpose of the meeting.

Section 4. Quorum. A quorum for the transaction of business at a membership meeting other than the Annual Meeting shall consist of a minimum of 100 of the Members eligible to vote.

Section 5. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors may conduct business by electronic means.

Section 6. Action without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if there is a consent in writing, setting forth the action so taken. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of a majority of the Directors. The action taken shall be effective when a majority of the Directors have approved the consent unless the consent specifies a different effective date.

Article XIII - Committees

Section 1. Standing Committees. The President shall appoint from among the Members, the following standing committees:

- Professional Standards
- Grievance
- Governmental Affairs
- Budget/Finance

Appointments to the Professional Standards Committee and Grievance Committee shall be consistent with any cooperative professional standards enforcement agreement of the Association. The President shall appoint, and the Board of Directors shall approve the Chairman of each of these Committees.

Section 2. Special Committees/Task Forces. The President may appoint, subject to confirmation by the Board of Directors, special committees and/or Task Forces as deemed necessary.

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

Section 4. President. The President shall be an ex-officio member of all committees.

Section 5. Action without a Meeting. Any committee may act by majority consent in writing without a meeting.

Section 6. Attendance by Electronic means. Members of a committee may participate in any meeting through the use of electronic means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President or Committee Chairman and shall constitute presence at the meeting.

Article XIV - Fiscal and Elective Year

Section 1. The fiscal and elective year of the Association 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 Association, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

Article XVI – Statements of Policy

Section 1. Proposal. Statements of Policy may be proposed by any Officer, Director, Committee, or by the Chief Executive Officer. Any statement of policy so proposed (with the exception of the annual policies adopted in regard to professional standards administration) must be submitted in writing to the Board of Directors at least seven (7) days prior to the meeting at which it will be discussed and voted upon.

Section 2. The Board of Directors may, by a majority vote of the Directors present at any meeting, approve Statements of Policy of this Association which define or amplify the Bylaws of the Association. Any Statements of Policy so approved shall be adopted immediately upon approval. The Statements of Policy shall be available to any member upon reasonable request.

Article XVII - Amendments

Section 1. These Bylaws may be amended at any regular or special meeting of the Members at which a quorum is present, or by mail or electronic ballot. An affirmative vote of a majority of the ballots cast is necessary to amend these Bylaws.

Section 2 The Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 3. If the proposed amendment is to be approved at a meeting of the members, the members shall be given notice of the meeting in accordance with these Bylaws, stating that the purpose or one of the purposes, of the meeting is to consider the proposed amendment and containing a copy of summary of the proposed amendment. If the proposed amendment is to be approved by ballot, the material soliciting the approval shall contain a copy of summary of the proposed amendment.

Section 4. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

Article XVIII - Dissolution

Section 1. Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Kansas and/or

Missouri Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

Article XIX - Multiple Listing

(Multiple Listing Service Operated as a Separate Corporation Wholly-Owned by the Association)

Section 1. Authority. The Association of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the state of Kansas, all the stock of which shall be owned by the Kansas City Regional Association of REALTORS®.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property-for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common data-bases; 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 procuring cause of the sale (or lease).

Section 3. Governing Documents. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its corporate charter, constitution, bylaws, rules, regulations, and policies, practices, and procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Participation. Any REALTOR® member of this or any other Association who is a principal, partner, corporate officer, or branch office manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "participation" unless they hold a current, valid real estate broker's license and offer and 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 an Association Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by an Association Multiple Listing Service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real

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

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

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

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancement and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated additional training remotely. (Amended 11/09)

Section 5. Access to Sold and Statistical Information. Sold and Statistical Information is a service of the Kansas City Regional Association of REALTORS®. Association Members who are actively engaged in real estate brokerage, management, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, sold information that is generated wholly or in part by the MLS. This information is provided for the exclusive use of Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm except as otherwise specified in the MLS rules and regulations. Association members who receive such information, either as a Association service

or through the Association's MLS, are subject to the applicable provisions of the MLS rules and regulations whether they participate in the MLS or not.

Section 6. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant's licensed designee.