BYLAWS OF THE

Northwest Arkansas Board of REALTORS®, Incorporated

As approved by general membership vote on September 3, 2026

ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the Northwest Arkansas Board of REALTORS®, Incorporated, hereinafter referred to as the "Association."

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

ARTICLE II - OBJECTIVES

The objectives of the association are:

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

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

Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interest 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 Arkansas REALTORS® Association 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 association as a member of the NATIONAL ASSOCIATION OF REALTORS® is:

All within the counties of Benton, Carroll, Madison and Washington, in the State of Arkansas.

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 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 other 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 Arkansas 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 an association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate membership

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

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(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.

(3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local association, state association and National Association.

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

(5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualification for REALTOR® membership

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

(c) Affiliate Members. Affiliate members shall be real estate owners and other individuals or firms who have interests requiring information concerning real estate, and are in alignment with the objectives of the association. (Amended 09/26)

(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) Life Members. Individuals who have reached 62 years of age and held a REALTOR® membership in the State of Arkansas for 25 consecutive years or 30 non-consecutive years, hold a current Arkansas real estate license and have previously served on the Board of Directors and/or been named REALTOR® of the Year shall be eligible to become a Life Member of the Northwest Arkansas Board of REALTORS®.

(1) Application shall be submitted in writing to the board of directors of the Northwest Arkansas Board of REALTORS® by the applicants' Principal Broker.

(2) A Life Member shall have the same privileges as those stated under Article VI, Section 6.

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 himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the association, the State and National Associations, and if elected a member, will abide by the Constitutions and Bylaws and Rules and Regulations of the association, the State and National Associations, and if a REALTOR® member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate (or to mediate if required by the association) controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the *Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®,* as from time to time amended, and

(2) that applicant consents that the association, through its membership committee or otherwise, may invite and receive information and comment about applicant from any member, or other persons, and that applicant agrees that any information and comment furnished to the association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above. (Amended 11/11)

Section 2. Qualification

(a) An applicant for REALTOR® membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the association 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, valid property management broker or associate 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 Board, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. (Amended 09/26

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

that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

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

A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date. (Amended 5/07)

NOTE 1: One or more of the requirements for REALTOR® membership set forth above in Article V, Section 2(a) may be deleted at the Board's discretion. However, Boards may NOT adopt membership qualifications more rigorous than specified in the membership Qualification Criteria for REALTOR® membership approved by the board of directors of the National Association.

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 association of REALTORS® for violation of the Code of Ethics or Fair Housing. ((Amended 09/26)

(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 a employee or as an independent contractor with a Designated REALTOR® member of the association or a Designated REALTOR® member of another association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the membership committee and shall agree in writing that if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations, Code of Ethics and Fair Housing. (Amended 09/26)

NOTE: Evidence satisfactory to the membership committee shall include, but not be limited to, the following:

a) copy of current real estate license
b) address and telephone number of current place of business
c) copy of signed application for membership which includes commitment to complete course of instruction and to abide by Constitution, Bylaws, Rules and Regulations, and Code of Ethics

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

Section 3. Election

The procedure for election to membership shall be as follows.

(a) The Chief Executive Officer (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may 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 final review of the application by the board of directors.

(b) If the 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 (for example, completion of a mandatory orientation program) within 120 days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. 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. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.

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

(d) If the board of directors determines that the application should be rejected, it shall record its reasons with the Chief Executive Officer (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Adopted 1/98, Amended 1/05)

Section 4. New Member Code of Ethics and Fair Housing Orientation.

Code of Ethics: 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 (2) hours and (30) 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 (if available) 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.

Alternatively, the member may elect to pay a $250 penalty in lieu of termination, with the provision that the member attend the next available New Member Code of Ethics orientation. All new members will complete the Code of Ethics training either at New Member Orientation or online. (Amended 09/26)

NOTE: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®. (Adopted 1/01)

Fair Housing: Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete Fair Housing training of not less than two (2) hours 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®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to 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.

Failure to satisfy this requirement within __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. (Adopted 3/2025)

Section 5. Continuing REALTOR® Code of Ethics and Fair Housing Training

Code of Ethics: 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 (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 REALTOR® association, the State Association of REALTORS®, or 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 the required periodic ethics training shall be considered a violation of a membership duty.

Failure to meet the requirement in any three year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three 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. (Revised 11/2019)

Fair Housing: Effective January 1, 2025, through December 31, 2027 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 Fair Housing training of not less than two (2) hours 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®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three year cycle commences.

Failure to satisfy the required periodic Fair Housing training shall be considered a violation of a membership duty. Failure to meet the requirement in any three year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 3/2025)

Section 6. Status Changes.

(a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the association within 5 business days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within 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.

PENALTY: Fines up to $500 may be levied for failing to provide written notification of status changes to the association within five business days.

1st Violation - $100
2nd Violation - $250
3rd Violation - $500

You may petition for a hearing to be conducted by members of the MLS and/or Professional Standards Committees. The petition for a hearing must be filed within twenty (20) calendar days after the date that you are notified of the listing violation fine assessment. Any petition received or postmarked after twenty (20) days will be rejected as untimely filed.*

A REALTOR® who is transferring his/her license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within **five** 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. (Amended 1/98)

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

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

(c) Dues shall be prorated from the first day of the quarter in which the member is notified of election by the board of directors and shall be based on the new membership status for the remainder of the year. (Amended 1/05)

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

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

Section 2. Any member of the association may be reprimanded, fined, placed on probation, suspended, or expelled by the board of directors for a violation of these 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 neither the code of Ethics nor its enforcement by the association, such members are encouraged to abide by the principles established in the code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, members other than REALTORS® may, upon recommendations of the membership committee, or upon recommendation by a hearing panel of the professional standards committee, be subject to discipline as described above, for any conduct, which in the opinion of the board of directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local association, the State Association and the NATIONAL ASSOCIATION OF REALTORS®.

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

Section 4. Resignations of members shall become effective when received in writing by the board of directors, provided, however, that if any member submitting the resignation is indebted to the association for dues, fees, fines, or other assessments of the association or any of its services, departments, divisions,

or subsidiaries, the association may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

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

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. (Amended 1/00 and 11/11)

Section 6. Privileges of REALTOR® Members. REALTOR® members, whether primary or secondary, in good standing are entitled to vote and to hold elective office in the association; and may use the term REALTOR®. For purposes of this section, the term "good standing" means the member satisfies the "Obligations of REALTOR® Members", is current with all financial and disciplinary obligations to the association and MLS, has completed any new member requirements, and complies with NAR's trademark rules.

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

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

Section 7. Institute Affiliate Members. Institute Affiliate member 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 the REALTOR® logo; to serve as president of the local association; or to be a participant in the local association's Multiple Listing Service. (Amended 1/02)

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

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

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

Section 11. Life Members. Life members shall have rights and privileges as set forth in Article VI, Section 6.

Section 12. Certification by REALTOR®. "Designated" REALTOR® members of the association shall certify to the association during the month of February on a form provided by the association, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary association for each individual who holds membership. Designated REALTORS® shall also identify any assessment licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another association based on said non-member licensees, the Designated REALTOR® shall identify the association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Sections 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 5 business days of the date of affiliation, severance, or transfer of the individual.

PENALTY: Fines up to $500 may be levied for failing to provide accurate, annual certification of licensees and/or failing to notify the association of licensee affiliation, transfer or severance.

1st Violation - $100
2nd Violation - $250
3rd Violation - $500

You may petition for a hearing to be conducted by members of the MLS and/or Professional Standards Committees. The petition for a hearing must be filed within twenty (20) calendar days after the date that you are notified of the listing violation fine assessment. Any petition received or postmarked after twenty (20) days will be rejected as untimely filed.*

Section 13. Harassment: Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or association officer or director after an investigation in accordance with the procedures of the association. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the 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.

NOTE: Suggested procedures for processing complaints of harassment are available online at http://www.REALTOR.org, or from the Member Policy Department. (Amended 5/08)

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 incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law. .

Section 2. It shall be the duty and responsibility of every REALTOR® member of this association to 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 must abide by the governing documents and policies of the association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®, as well as the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and 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. The responsibility of the association and of association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the association, which by this reference is made a part of these Bylaws.

NABOR Professional Standards administers MLS and the Arkansas REALTORS® Association Professional Standards administers the Code of Ethics. (Amended 9/26)

ARTICLE VIII - USE OF THE TERMS REALTOR® AND REALTORS®

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

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. (Amended 5/06)

Section 2. REALTOR® members of the Board shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the 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. (Amended 1/96)

Section 3. A REALTOR® principal member may use the terms REALTOR® and REALTORS®, only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® members or Institute Affiliate members.

(a) In the case of a REALTOR® principal member 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, holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business. (Amended 3/2025)

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

ARTICLE IX - STATE AND NATIONAL MEMBERSHIP

Section 1. The association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the Arkansas REALTORS® Association. 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 Arkansas REALTORS® Association without further payment of dues. The association shall continue as a member of the State and National Association, 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 and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Arkansas REALTORS® Association.

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. (Amended 1/02)

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

(a) REALTOR® Members. The annual dues of each designated REALTOR® member shall be in such amount as established annually by the board of directors, plus an additional amount to be established annually by the board of directors times the number of real estate salespersons and licensed or certified appraisers who (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. (Amended 1/05)

(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, 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, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

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

association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year. (Amended 11/09)

(b) REALTOR® Members. The annual dues of REALTOR® members other than the designated REALTOR® shall be as established annually by the board of directors. (Amended 1/05)

(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®.

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 association. The National Association shall also credit $35.00 to the account of state associations for each Institute Affiliate member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate members, but may provide service packages to which Institute Affiliate members may voluntarily subscribe. (Amended 11/2013)

(c) Affiliate Members. The annual dues of each Affiliate member shall be an amount established annually by the board of directors. (Amended 1/05)

(d) Public Service Members. The annual dues of each Public Service member shall be an amount established annually by the board of directors. (Amended 1/05)

(e) Honorary Members. Dues payable, if any, shall be at the discretion of the board of directors. (Amended 1/05)

(f) Life Members. Dues shall be waived.

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on the first business day of February. Dues for new members shall be computed from the date of license issuance and granting of provisional membership. (Adopted 1/98, Amended 1/05)

(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. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the association or the association's multiple listing service are not paid within one (1) month after the due date, unless otherwise specified within these bylaws, the nonpaying member is subject to suspension at the discretion of the board of directors. Two (2) months after the due date, membership of the nonpaying member may be terminated at the discretion of the board of directors. Three (3) months after the due date, membership of the nonpaying member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a member for nonpayment

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

Section 5. Deposits and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the board of directors, as outlined in the Northwest Arkansas Board of REALTORS® Policy Manual. (Amended 1/05)

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

Section 7. The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the board of directors. (Amended 11/2013)

NOTE: A member Board's dues obligation to the National Association is reduced by an amount which the association 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 association. The dues obligation of such individuals to the local association should be reduced to reflect the reduction in the association's dues obligation to the National Association. The association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the association's obligation to the State Association with respect to such individuals. Member Boards should determine whether the dues payable by the association 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 association with respect to those licensees employed by or affiliated with the "Designated" REALTOR®'s who are not members of the local association. (Amended 11/2013)

ARTICLE XI – OFFICERS AND DIRECTORS

Section 1. Officers.

~~(a)~~ The elected officers of the Board shall be a President, a President-Elect, a Secretary-Treasurer and the Immediate Past President. 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 Chief Executive Officer to keep the records of the association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the Arkansas REALTORS® Association.

Section 3. Board of Directors. The governing body of the association shall be a board of directors consisting of the elected officers and no less than nine and no more than eleven elected REALTOR® members of the association. Directors shall be elected to serve for terms of three years, except that at organization, one-third of the elected 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. NAR Large Board Director (s) are members of NABOR Board of Directors for their appointed NAR term. Thereafter, as many Directors shall be elected each year as are required to fill vacancies.

(a) Term Limits. No director shall serve for more than two consecutive three year terms. (Adopted 1/05) Immediate Past President shall not serve as an officer or director for 1 full year after their Immediate Past President term in concluded (Amended 9/26)

Section 4. Election of Officers and Directors

(a) At least two (2) months before the annual election or special election, a nominating committee of at least five REALTOR® members will meet. The chair of the nominating committee shall be the Immediate Past President. The chair shall appoint the committee members. The Nominating Committee shall consist of Past Presidents of the Association. The Nominating Committee shall select one candidate for each office and one candidate for each place to be filled on the Board of Directors. The report of the nominating committee shall be approved by the Board of Directors. Approval of candidates by the Board of Directors may only be withheld for failure to comply with the eligibility requirements set forth in these bylaws. In the event the report is not approved, the issue is returned to the nominating committee. The approved report of the nominating committee shall be mailed or electronically transmitted to each member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 15% of the REALTOR® members eligible to vote. The petition shall be filed with the Chief Executive Officer at least two (2) weeks before the election. The Chief Executive Officer shall send notice of such additional nominations to all members eligible to vote before the election. (Amended 1/05)

(b) The election of Officers and Directors shall take place at the annual meeting by voice vote, provided that the slate is uncontested. In the event the slate is contested, election will be held by paper ballot. If meetings are required to be conducted virtually, electronic voting options may be utilized at the discretion of the Board of Directors. The published 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.

(d) All nominees for a director's position on NABOR board of directors must be a REALTOR® member of NABOR and have completed service on a NABOR committee for at least one year, prior to being nominated.

(e) All nominees for an officer's position on NABOR board of directors must be a REALTOR® member of NABOR and have prior service as a Director or Elected Officer for a minimum of one year from an association of REALTORS®, as recognized by the Arkansas REALTORS® Association prior to being nominated. Candidates will be interviewed in person by the Nominating Committee and then approved by NABOR Board of Directors and membership. (Amended 09/26)

(f) All nominees for NAR director(s) must be willing to serve three (3) consecutive one-year terms, have served on the NABOR board of directors and served at the state level on a committee or on the ARA board of directors for a minimum of one year prior to being nominated. NAR director(s) is required to travel to NAR convention and NAR midyear legislative meetings Previous attendance at NAR convention, NAR midyear legislative meetings and an NAR board of directors meeting is required. Prior service on a committee at the national level is preferred but not required. Candidates for NAR Director shall be interviewed by NABOR Board of Directors and approved by membership.

(g) Elected Officers shall move up by succession. Secretary-Treasurer to President-Elect; President- Elect to President, President to Immediate Past President.

Section 5. Vacancies. Vacancies among the officers, board of directors and NABOR Large Board Director shall be filled by appointment of the President and approved by a simple majority vote of the board of directors until the next annual election. Should we have a drop in membership resulting in a loss of a NABOR Large Board Director, the current NABOR Large Board Director who has been serving the longest is to finish their term and the other is to be removed and made a Director until the end of their current term. (Amended 09/26)

Section 6. Removal of Officers and Directors. In addition to the qualifications set forth herein, Directors understand, consent, and agree that if any Director commits any act, whether in person, virtually, in social media, or elsewhere, which is an offense involving moral turpitude under federal, state, or local laws, or which might tend to bring that Director or the Board to disrepute, contempt, scandal, or ridicule, or which might embarrass, offend, insult, or denigrate individuals or groups, or which may shock, insult, or offend the community, individuals, groups, the NABOR staff, or others, or which results in actual or threatened claims against NABOR or any individual member, officer, director, or employee, the Board shall have the right to remove such director upon proper vote and upon notice to said Director. Any such removal shall be handled by the Board in the same manner as other matters which come before the Board and following the same rules as all other matters. In the event any director is removed for such reasons, neither NABOR, its Board of Directors, nor any individual Director, Officer, or member shall incur any liability for such removal.

In the event that an officer or director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the officer or director may be removed from office under the following procedure:

(a) A petition requiring the removal of an officer or director and signed by not less than one-third of the voting membership or a majority of all directors shall be filed with the president, or if the president is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the association shall be held, and the sole business

of the meeting shall be to consider the charge against the officer or director, and to render a decision on such petition.

(c) The special meeting shall be noticed to all voting members at least ten (10) days prior to the meeting and shall be conducted by the 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 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. Chief Executive Officer. There shall be a Chief Executive Officer, appointed by the board of directors, who shall be the Chief Executive Officer of the association. The Chief Executive Officer 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 as outlined in the Northwest Arkansas Board of REALTORS® Policy Manual. (Adopted 1/05)

ARTICLE XII - MEETINGS

Section 1. Annual Meetings. The annual meeting of the association shall be held no later than October of each year, the date, place, and hour to be designated by the board of directors. (Amended 09/26)

Section 2. Meetings of Directors. The board of directors shall designate a regular time and place of meetings. Absence from two regular meetings OR two other meetings, per calendar year shall be considered as resignation. A regular meeting is any meeting of the NABOR Board of Directors on the schedule released at NABOR's December Leadership Meeting or any meeting with at least 1 week notice and a zoom option. Tardies can also count as absences – 2 tardies of being 1-14 minutes late will equal 1 absence and a tardy of being 15 minutes or more late will equal 1 absence. An absence is excused only when the member is attending another REALTOR® association meeting, a meeting of the Arkansas Real Estate Commission or ARELLO, held at the same time. A quorum for the transaction of business shall be a majority of the board of directors, except as may otherwise be required by state law. (Amended 09/26)

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 15% of the members eligible to vote.

Section 4. Notice of Meetings. Notice shall be mailed or electronically transmitted to every member entitled to participate in the meeting at least one (1) week preceding all meetings. If a other meeting is called, it shall be accompanied by a statement of the purpose of the meeting. (Amended 09/26)

Section 5. Quorum for Membership Meetings. A quorum for the transaction of business at general and/or other meetings of the membership shall consist of those Board Members, REALTOR® Members, Institute Affiliate Members and Life Members present and qualified to vote on board business.

Section 6. Electronic Transaction of Business. To the fullest extent permitted by law, the board of directors or membership may conduct business by electronic means. (Adopted 1/05)

Section 7. Action without Meeting. Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to

the Chief Executive Officer to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date. (Adopted 1/05)

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees. The president shall appoint chairs from among the REALTOR® members, subject to confirmation by the board of directors, to the following standing committees:

Affiliate, ARPAC/Legislative, Awards, Executive, Finance, Holiday Installation Banquet, MLS, Marketing/Public Relations, Nominating, Professional Development, Professional Standards, REALTOR® of the Year, Scholarship, Special Olympics Fundraising, Diversity and YPN. (Amended 09/26)

Finance is chaired by the sitting Secretary Treasurer. Nominating is chaired by the Immediate Past President. REALTOR® of the Year is chaired by the sitting REALTOR® of the Year.

NABOR Professional Standards administers MLS and the Arkansas REALTORS® Association Professional Standards administers Code of Ethics. (Amended 09/26)

Committee Chairpersons understand, consent, and agree that if any chairperson commits any act, whether in person, virtually, in social media, or elsewhere, which is an offense involving moral turpitude under federal, state, or local laws, or which might tend to bring that person, the committee or the Board to disrepute, contempt, scandal, or ridicule, or which might embarrass, offend, insult, or denigrate individuals or groups, or which may shock, insult, or offend the community, individuals, groups, the NABOR staff, or others, or which results in actual or threatened claims against NABOR or any individual member, officer, director, or employee, the President and the Board shall have the right to remove such chairperson upon proper vote and upon notice to said person. Any such removal shall be handled by the Board in the same manner as described for removal of a Director within Article 12. In the event any such chairperson is removed for such reasons, neither NABOR, its Board of Directors, nor any individual Chair, Member, Director or Officer shall incur any liability for such removal.

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 such size and shall have duties, functions, and powers as assigned by the president or the board of directors except as otherwise provided in these Bylaws.

Section 4. President. The president shall be an ex-officio member of all standing committees and shall be notified of their meetings.

Section 5. Action without Meeting. Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee. (Adopted 1/05)

Section 6. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the president and shall constitute presence at the meeting. (Adopted 1/05)

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1. The fiscal year of the association shall be January 1 to December 31. (Amended 1/05)

Section 2. The elective year of the association shall be January 1 to December 31. (Amended 1/05)

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

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed or electronically transmitted to every member eligible to vote at least three (3) weeks prior to the meeting.

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

ARTICLE XVII - DISSOLUTION

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 Arkansas REALTORS® Association, or within its discretion, to any other non-profit tax exempt organization. (Amended 1/05)

ARTICLE XVIII – LOCKBOX AND KEYCARD SYSTEM

Section 1. Lockbox and keycard system shall be operated as a service of the Northwest Arkansas Board of REALTORS® MLS in accordance with the Lockbox Security Requirements as published in the NAR Handbook on Multiple Listing Policy.

ARTICLE XIX – MULTIPLE LISTING SERVICE

Section 1. Authority. The association of REALTORS® shall maintain for the use of its members and participants a Multiple Listing Service which shall be subject to the Bylaws of the association of REALTORS® and such rules and regulations as may be hereinafter adopted. (Amended 09/26)

Section 2. Purpose.
A multiple listing service is a means by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. *(Amended 8/24)*

Section 3. Participation. Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.* However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service "membership" or "participation" unless they hold a current, valid real estate broker's license and cooperate or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interest of their clients. 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 cooperates 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, share information on listed property, and makes property available to other brokers for showing to prospective purchasers and tenants when it is in the best interest of their client(s). . "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 cooperate with respect to properties of the type that are listed on the MLS in which participation is sought. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interest of their clients. 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 cooperate. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to cooperate 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 sixty (60) 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)

NOTE: Associations are not required to establish prerequisites for MLS participation beyond holding REALTOR® (principal) membership in an association. However, if the association wishes to establish these requirements for MLS participation or for access to MLS-generated information, the requirement of attendance at an orientation program is the most rigorous requirement that may be established.

**Generally, associations of REALTORS®, when there is more than one principal in a real estate firm, define the chief principal officer of the firm as the MLS "participant". If each principal is defined as a "participant," then each shall have a separate vote on MLS matters. Brokers or salespersons other than principals are not considered "participants" in the service but have access to and use of the service through the principal(s) with whom they are affiliated. Any proposed change in MLS vendor will be voted on by the MLS participants. Notice of vote shall be mailed or electronically transmitted to every MLS participant at least one (1) week prior to the vote.

Section 4. Supervision. The activity shall be operated under the supervision of the multiple listing committee, in accordance with the rules and regulations, subject to approval of the board of directors of the association of REALTORS®.

Section 5. Appointment of Committee. The MLS Chair shall appoint, subject to the confirmation of the board of directors, a multiple listing committee of no less than six (6) REALTOR® members. All members of the committee shall be participants in multiple listing except, at the option of the local association, REALTORS® affiliated with participants may be appointed to serve in such numbers as determined by the local association. The chair will be appointed by the president.

Section 6. Vacancies. Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7. Attendance. Upon the second absence during the entire term of the appointment, resignation shall be automatic. An absence is excused only when the member is attending another REALTOR® association meeting held at the same time. The Chair shall enforce the attendance policy and identify automatic resignations. In the event of an automatic resignation, the member may file a written request to the President for reinstatement explaining the reasons for absences. If reinstated, one additional absence shall automatically be a final resignation without appeal. In the event of a resignation, the Chair shall make every effort to fill the vacant position.

Section 8. 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.

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

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 2/1994, Amended 11/1996)

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 11/1995)

Portability of Membership Records (Files)

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

1. Previous applications for membership

2. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years (when available)
3. Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties
4. Incomplete or (pending) disciplinary measures
5. Pending arbitration requests (or hearings)
6. Unpaid arbitration awards or unpaid financial obligations to the association or its MLS
7. 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 2/1996, Amended 11/2009)

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 11/1996)

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 11/1996)

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 11/1996)

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 11/1996)

Association Satellite Offices in Other Association Jurisdictions

NAR policy does not prohibit associations from establishing satellite offices (service centers) in other association jurisdictions. (Adopted 05/2008)

Membership Recruitment Dues Incentives

NAR policy does not prohibit associations from offering membership recruitment dues incentives. (Adopted 05/2008)

SECTION 1 LOCK BOXES
(POLICY STATEMENT 7.1)

No multiple listing service need use lock boxes and no listing broker need use a lock box on a property, but if the multiple listing service does offer the lock boxes, it must make them available to anyone who participates in the multiple listing service, whether an association member or not. Nothing shall prevent the owner's right to refuse to have a lock box on his property.

A lock box is a container affixed to property containing a device to gain access to the property being marketed by a participant in the MLS. Participants in the MLS or their salespersons (and licensed or certified appraisers affiliated with the participants) are authorized under certain conditions to open these lock boxes under terms specified by the listing broker. Cooperating brokers and sales licensees, whether functioning as subagents of the listing broker or as agents of potential purchasers, must contact the listing broker to disclose their agency status and to arrange appointments to show listed property even if the property has a lock box affixed to it unless the listing broker has given specific permission (through information published in the MLS or otherwise) to show the property without first contacting the listing broker.

If an association or its multiple listing service elects to engage in the sale, rental, or distribution of lock boxes to its members or be involved in any way with the sponsorship or endorsement of a common lock box system, the lock box security requirements as established by the NATIONAL ASSOCIATION OF REALTORS® shall be the minimum security measures adopted and implemented in connection with such lock box system. Eligibility for coverage under the National Association's blanket errors and omissions insurance program is contingent on compliance with the lock box security requirements whether the system is operated by the association, its MLS, or on behalf of an association by a recognized lock box vendor. *(Amended 11/90)*

SECTION 2
LOCK BOX SECURITY REQUIREMENTS
(POLICY STATEMENT 7.31)

Eligibility for coverage under NAR's blanket errors and omissions insurance program is contingent on compliance with the following security measures whether the system is operated by the association, MLS. (Amended 05/17)

TYPES OF KEYS

Any physical or electronic key, programmer, or other device (hereinafter referred to as key) by which a lock-box can be opened must be non-duplicative. Being non-duplicative means that it cannot be readily copied in the manner that other types of keys ordinarily are. (Amended 05/17)

> *A mobile device (such as, a smart phone, tablet, fob, etc.) can transmit a key to access a lockbox using standard protocols, including, Bluetooth, ZigBee, infrared technology, and others. The applications and software used by mobile devices must contain security controls to allow only authorized users access to the lockbox. (Adopted 5/17)*
>
> *As a matter of local discretion, the listing broker or agent can issue temporary codes/access to the lockbox and property on terms and conditions agreed to in advance by the seller. Temporary codes/access must expire within seventy-two (72) hours after being issued or must be under the*

control of the listing broker or agent. Temporary codes must be a minimum field size of five (5) characters. (XX,XXX) (Adopted 05/17)

SECURITY PROTOCOLS

Keys must be obtained from the original manufacturer, from a recognized vendor of lock-box systems or from any other legitimate source. Prior to utilizing previously used keys, lids, or boxes, associations and MLSs must obtain sufficient information from the original manufacturer and surrounding associations and MLSs in order to determine whether the key's pattern, code, or configuration is already in use. Amended 05/17)

Electronic lockboxes and electronic keys running on mobile devices must incorporate security protocols to prevent the following types of cyber-attacks:

where an unauthorized user can override or escalate their security credentials

where the communication session between the electronic lockbox and key are recorded and played back later to gain unauthorized access

forging of electronic credentials that could allow an unauthorized user the ability to masquerade as an authorized user

digitally signed updates to electronic keys running on mobile devices or electronic lockbox firmware plus a secured update process to prevent unauthorized software from being introduced into the lockbox system

transmission(s) of frequencies to deceive the lockbox electronics into opening (Adopted 05/17)

AVAILABILITY OF LOCKBOX SYSTEM AND KEYS

Any lock-box system must be designated as either an activity of an association of REALTORS® or an association-owned and operated MLS. (Amended 05/17)

If the lock-box system is an activity of an association of REALTORS®, then every REALTOR® and REALTOR-ASSOCIATE® and every non-principal broker, sales licensee and licensed or certified appraiser affiliated with a REALTOR®, shall be eligible to hold a key subject to their execution of a lease agreement with the association. *(Amended 11/96)*

If the lock box system is an activity of an association-owned and operated MLS, then every MLS participant and every non-principal broker, sales licensee and licensed or certified appraiser who is affiliated with an MLS participant and who is affiliated with an MLS participant and who is legally eligible for MLS access shall be eligible to hold a key subject to their execution of a lease agreement with the MLS.

Associations and multiple listing services may require, as a matter of local determination, that key lease agreements executed by non-principal brokers, sales licensees, and licensed or certified appraisers will be cosigned by the designated REALTOR® or the office's broker of record. Lease agreements shall spell out the responsibilities of the parties and shall incorporate by reference any applicable rules or regulations or other governing provisions of the association or MLS that relate to the operation of the lock box system. The lease agreement shall also provide that keys may not be used under any circumstances by anyone other than the keyholder except as provided elsewhere in this statement of policy. *(Amended 2/98)*

~~A~~s a matter of local discretion, associations and MLSs can determine that key lease agreements executed by non-principal brokers, sales licensees, unlicensed personal assistants, administrative and clerical staff, and licensed, or those seeking to be licensed or certified as appraisers, must also be cosigned by

the designated Realtor® or the office's broker of record. Lease agreements shall spell out the responsibilities of the parties and shall incorporate by reference any applicable rules or regulations or other governing provisions of the association or MLS that relate to the operation of the lock box system. The lease agreement shall also provide that keys may not be used under any circumstances by anyone other than the keyholder except as provided elsewhere in this statement of policy. (Amended 05/17)

Associations and MLSs may, at their discretion, lease keys to affiliate members of associations who are actively engaged in a recognized field of real estate practice or in related fields. In such instances, the lease agreement shall be signed by the keyholder and by a principal, partner, or corporate officer of the keyholder's firm. *(Amended 05/17)*

Individuals may be required to pay lockbox costs as part of association dues or as part of MLS participation fees pursuant to MLS Policy Statement 7.57, Categorization of MLS Services, Information, and Products and pursuant to NAR Bylaws Official Interpretation #32. No one shall be required to lease a key from the association except on a voluntary basis. (Adopted 5/17)

Associations and MLSs may refuse to sell or lease lock-box keys, may terminate existing key lease agreements, and may refuse to activate or reactivate any key held by an individual who has been convicted of a crime within the past seven (7) years under the following circumstances: (Amended 5/17)

A. The association or MLS determines that the conviction(s) relates to the real estate business or puts clients, customers, other real estate professionals, or property at risk, for example through dishonest, deceptive, or violent acts; and (Amended 5/17)

B. The association or MLS gives the individual, an opportunity to provide and the association or MLS must consider mitigating factors related to the individual's criminal history, including, but not limited to, factors such as:

i. the individual's age at the time of the conviction(s);

ii. nature and seriousness of the crime;

iii. extent and nature of past criminal activity;

iv. time elapsed since criminal activity was engaged in;

v. rehabilitative efforts undertaken by the applicant since the conviction(s);

vi. facts and circumstances surrounding the conviction(s); and

vii. evidence of current fitness to practice real estate. (Amended 5/17)

Associations and MLSs should be sure to evaluate individuals uniformly and avoid making exceptions for one individual while denying an exception to another individual with a similar criminal history. (Amended 5/17)

Associations or MLSs may suspend the right of lock-box keyholders to use lock-box keys following their arrest and prior to a final determination on any such charge if, in the determination of the association or MLS, the charge relates to a crime that relates to the real estate business or puts clients, customers, other real estate professionals, or property at risk. (Amended 5/17)

AUDIT REQUIREMENT

Associations or MLSs shall maintain current records as to all keys issued and in inventory, *including registered users accessing lockboxes through applications and software used by mobile devices*. There shall be an audit, at least annually, of all keys, whether issued or in inventory. This requirement may be satisfied by a physical inventory or, alternatively, by receipt of a statement signed by the keyholder and the designated REALTOR®, broker of record, or, in the case of an affiliate member, by a principal, partner, or corporate officer of the keyholder's firm, attesting that the key is currently in possession of the keyholder. *(Amended 05/17)*

5. SELLER AUTHORITY REQUIRED

Lock boxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or any other written document. Inclusion in MLS compilations cannot be required as a condition of placing lock boxes on listed property. *(Amended 05/17)*

6. REPORTING MISSING KEYS

Associations and MLSs shall charge keyholders and their cosignatories with the joint obligation of immediately reporting lost, stolen, or otherwise unaccountable for keys to the association or MLS. Upon receipt of notice, the association or MLS must take any steps deemed necessary to re-secure the system. (Amended 05/17)

7. RULES AND PROCEDURES GOVERNING LOCKBOX SYSTEMS

Associations and MLSs must adopt written, reasonable, and appropriate rules and procedures for administration of lock-box systems which may include appropriate fines, not to exceed $15,000. Any issuing fees, recurring fees, or other administrative costs shall be established at the discretion of the association or MLS and set forth in the rules and procedures. All keyholders, whether or not they are association members or MLS participants, shall agree, as a condition of the key lease agreement, to be bound by the rules and procedures governing the operation of the lock-box system. *(Amended 05/17)*

Key lease agreements may contain a liquidated damages provision to offset some or all of the costs in reestablishing the security of the system if it is determined that the security has been compromised through the negligence or fault of the keyholder. (Amended 11/97)

8. ISSUING ELECTRONIC PROGRAMMERS OR KEYPADS ON TEMPORARY BASIS

In the event electronic lock box programmers or keypads are sold or leased, a designated REALTOR® principal or an office's broker of record may purchase or lease additional programmers or keypads to be issued on a temporary basis to other keyholders in the same office in the event their programmer or keypad becomes non-functional outside normal business hours or under circumstances where a replacement programmer or keypad is not reasonably available from the issuing association or MLS. When a programmer or keypad is issued on a temporary basis, it shall be the responsibility of the REALTOR® principal or the broker of record to advise the association or MLS in writing that the programmer or keypad has been issued, to whom, and the date and time of issuance within forty-eight (48) hours. It shall also be the responsibility of the REALTOR® principal or the broker of record to advise the association or MLS in writing within two (2) business days after possession of the previously issued programmer or keypad has been reassumed. *(Adopted 05/17)*

9. REQUIRING "APPROVED" LOCKBOX SYSTEMS.

As a matter of local discretion, associations and MLSs may require placement of an "approved" lock-box on listed properties if any device giving access to real estate professionals and/or service providers is authorized by the seller and occupant and is placed on the property. The purpose of this requirement, if adopted by an association and MLS, is to ensure cooperating participants and subscribers have timely

access to listed properties. Requiring that a lock-box or other access device be "approved" does not limit the devices that satisfy the requirement to lock-boxes leased or sold by an association or MLS. The association or MLS may require that the devices be submitted in advance for approval, and the access device may be any lock-box or other access device that provides reasonable, timely access to listed property. The association or MLS also may revoke the approval or subject the participant to discipline if the device is used in a manner that fails to continue to satisfy this requirement. (Adopted 05/17)