

Bylaws

Southern Missouri Regional MLS, LLC

d.b.a. “SOMO” and/or “SOMO MLS”

Approved February 2017

Article 1 Name

The name of this organization shall be the Southern Missouri Regional MLS, LLC, hereinafter referred to as SOMO, all the shares of stock of which are solely and wholly-owned by the Founding and General Members of SOMO.

Article 2 Purposes

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

Article 3 Service Area

The area within which SOMO functions shall at all times be coextensively with or within the territorial jurisdiction of the Associations of REALTORS® that make up SOMO.

Article 4 Participation Defined

Any REALTOR® 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 through a Founding or General Member. However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service membership or participation unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by SOMO 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 SOMO where access to such information is prohibited by law. The REALTOR® principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation as the Participant shall have all rights, benefits, and privileges of the service, and shall accept all obligations to SOMO for the Participant's firm, partnership, or corporation, and for compliance with the bylaws and rules and regulations of SOMO by all persons affiliated with the Participant who utilize SOMO as designated through a Founding or General Member.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and ongoing basis during the operation of the Participant's real estate business. The “actively” requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of

relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

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

Note 1: The requirements of (1) no record of recent or pending bankruptcy; (2) no record of official sanctions involving unprofessional conduct; and (3) completion of a course of instruction on the MLS rules and regulations and computer training related to MLS information entry and retrieval may be deleted from this section at the option of each Member. Any limitations or restrictions imposed on participation or membership shall be no more stringent than permissible under the National Association’s membership qualification criteria. However, SOMO may, at its discretion, establish additional qualifications for non-association member participation and membership in the MLS.

Note 2: A non-member application for MLS participation or membership will be determined by the eligibility and terms as referenced in 9.2 and 9.3 of the Operating Agreement.

Article 4.1 Application for Participation

Application for participation as a General Member shall be made in such manner and form as may be prescribed by the SOMO Board of Directors.

Application for Participants and Subscribers shall be made in such manner and form as may be prescribed by the individual Member Associations. The application form shall contain a signed statement agreeing to abide by these bylaws and any other applicable rules and regulations of SOMO as from time to time amended or adopted.

Article 4.2 Discontinuance of Service

Participants of SOMO may discontinue the service by giving their respective Member Association fifteen (15) days’ written notice prior to the 1st day of the month and may reapply through a Member Association by making formal application in the manner prescribed for new applicants for service provided all past dues and fees are fully paid.

Article 4.3 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.

Article 5 Service Charges

The base charge for service shall be as determined, and as amended from time to time by the SOMO Board of Directors, and specified in the rules and regulations of the service. The Founding and General Members shall independently determine the charge for service for their respective Participants and Subscribers.

Article 6 Government of the Service

The government of SOMO shall be vested in a Board of Directors comprised of the elected Officers and Member appointed Directors.

Article 6.1 Officers of the Service

The Officers of SOMO shall be a President, a Vice President, and a Secretary-Treasurer, and shall have such duties as described in this article.

Article 6.2 Board of Directors

The composition of the Board of Directors shall be as outlined in Article 5.1 in the Operating Agreement. The SOMO General Manager and the Member Association Executives shall be ex-officio, non-voting members. In addition the immediate Past President of SOMO shall be an ex-officio, non-voting member unless he/she is a current director elected by his/her Member Association.

Article 6.3 Nomination and Election of Officers and Directors

Each Founding Member and General Member shall appoint their respective Directors to the Board of Directors.

The Board of Directors shall elect the Officers following the appointment of the new slate of Directors by their respective Member Boards/Associations. No more than one representative of a Founding or General Member may serve as an officer per year.

Article 6.4 Terms of Office

- a. **Terms.** The Officers shall serve for a one-year term. Each Director shall serve a two-year term, as stated in 5.3(a), (c) and (d) of the Operating Agreement.
- b. **Resignation.** A Director may resign by providing written notice to their respective Member Association. Absence from three (3) director meetings within a calendar year shall be construed as resignation therefrom.
- c. **Removal.** A Supermajority of Directors or a Supermajority of the Members may remove any Director, with or without cause. A Director may also be removed by their respective Member Associations, with or without cause.

Article 6.5 Duties of Officers and Directors

The duties of the Officers and Directors are as follows:

1. The President shall be the chief executive officer of SOMO and shall preside at its meetings and those of the Board of Directors, and shall perform all the duties of the President subject to declared policies and, as required, subject to confirmation of the Board of Directors.
2. The Vice President shall, in the absence of the President, perform all of the duties of the President.
3. The Secretary/Treasurer shall be the custodian of the funds of SOMO and shall keep an accurate record of all receipts and disbursements. The Secretary-Treasurer shall provide to all members of the Board of Directors a quarterly statement of all accounts and financial affairs for SOMO, and shall have charge of the corporate seal and affix the name to all documents properly requiring such seal.
4. The SOMO Board of Directors shall be the governing body of SOMO and shall have control of all the affairs of SOMO and shall authorize all expenditures of funds. The Treasurer shall prepare a budget reflecting projected costs and expenses of SOMO for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the Board of Directors for approval on a date not less than 60 days prior to the first day of the next fiscal year.

The Board of Directors shall provide an annual report to the Members regarding the company's financial state and a general report of activities. Each Founding and General Member may distribute such reports to their respective Participants.

The Board of Directors shall employ a General Manager to care for and maintain the properties of SOMO and otherwise conduct the administrative business and daily operations of SOMO. The Board of Directors shall have the right to make an audit of all books and accounts at any time without notice.

The Board of Directors shall have the power from time-to-time to adopt such rules and regulations that they may deem appropriate, subject to final approval of the Founding and General Members.

Article 7 Annual Meeting

The annual meeting of Members of SOMO shall be held at a date, time and place specified by the Board of Directors.

Article 7.1 Special Meetings of the Founding and General Members

Meetings of Founding and General Members may be called from time to time by the President or the Board of Directors. Written notice stating the day, place, and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered to the Founding and General Members not less than thirty (30) days prior to said meeting.

The presence (in person or by proxy) at a meeting, for which proper notice has been given or waivers of notice have been received, of the Members possessing two thirds of the Units shall constitute a quorum. All actions and decisions of the Members shall be by affirmative vote of Members (in person or by proxy) possessing a majority of the Units. In references calling for a "Supermajority of Members," that term shall mean the affirmative vote of Members possessing at least two thirds of the Units.

Article 7.2 Quorum and Voting at Meetings of the Board of Directors

Two thirds of the voting Directors must be present to constitute a quorum. A majority vote by the Directors present and voting at a meeting attended by a quorum shall be required for passage of motions. In references calling for a "Supermajority of Directors," that term shall mean the affirmative vote of at least two thirds of the voting Directors present or taking part in the decision.

Article 7.3 Meetings of the Board of Directors

The Board of Directors may meet at any time it deems advisable on the call of the President or any four (4) or more members of the Board of Directors. Written notice stating the day, place and hour of the meeting, the purpose or purposes for which the meeting is called, shall be delivered to the Directors thirty (30) days prior to said meeting.

Article 7.4 Presiding Officer

At all general meetings of SOMO and of the Board of Directors, the President (or in the absence of the President, the Vice President) shall serve as presiding officer. In the absence of the President and Vice President, the President shall name a temporary chairperson or, upon the President's failure to do so, the Board of Directors of SOMO shall appoint a temporary chairperson.

Article 7.5 Emergency Meetings of the Board of Directors

An emergency meeting of the Directors may be called with at least 72 hours' prior notice, given electronically or in writing, provided at least 75% of the voting Directors will be present to convene an emergency meeting.

Article 8 Committees

The President, with the approval of the Board of Directors, shall create such standing or ad hoc committees as the President deems desirable and shall appoint their members.

Article 9 Guest Speakers

The SOMO BOD President may approve an Association representative (e.g. President or President Appointee) to be a guest speaker at BOD meetings. Presentation time is to be limited to a set amount of time to be determined by the SOMO President.

Article 10 Fiscal Year

The fiscal year of SOMO shall commence on January 1 and shall end on December 31.

Article 11 Amendments to Bylaws

Any amendments to SOMO Bylaws will be noticed to each member (Associations) and each member Association Executive, via e-mail, a minimum of 30 days prior to a SOMO Board of Directors vote.

Said approved amendments shall be effective immediately or as stated in the amending resolution.

When amendments to the Bylaws are mandated by the National Association of REALTORS®, only a vote of the Board of Directors, at any regular or special meeting of the Board at which a voting quorum is present, will be needed. Approved amendments to the Bylaws which are mandated by National Association of REALTORS® policy will not need approval of the Members.

Article 11.1 Amendments to Rules and Regulations

Amendments to the SOMO MLS Rules and Regulations shall be noticed to each Member Association Executive via email prior to the vote for approval of the Board of Directors.

Said approved amendments shall be effective immediately or as stated in the amending resolution.

Article 12 Dissolution

In the event SOMO shall at any time terminate its activities, the Board of Directors shall carry out the provisions of Article 11 of the Southern Missouri Regional MLS Operating Agreement.

Repealing Clause

All previous Bylaws heretofore adopted by this corporation are hereby repealed.