

**BYLAWS OF THE
MULTIPLE LISTING SERVICE
OF THE
GREATER SOUTH BEND-MISHAWAKA
ASSOCIATION OF REALTORS®**

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BYLAWS

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**BYLAWS OF THE MULTIPLE LISTING SERVICE OF THE
GREATER SOUTH BEND-MISHAWAKA ASSOCIATION OF REALTORS®**

ARTICLE 1.

Name

The name of this organization shall be the Multiple Listing Service of the Greater South Bend-Mishawaka Association of REALTORS®, Inc. Hereinafter referred to as the Service, all shares of stock of which are solely and wholly-owned by the Greater South Bend-Mishawaka Association of REALTORS®.

ARTICLE 2.

Purpose

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

ARTICLE 3.

Service Area

The area within which the Service shall function shall at all times be coextensive with or within the territorial jurisdiction of the Greater South Bend-Mishawaka Association of REALTORS®.

ARTICLE 4.

Participation

A. Participation Defined

Any REALTOR Member of this or any other Association who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, 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 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 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 or published by an Association Multiple Listing Service where access to such information is prohibited by law.

Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm "offers or accepts cooperation and compensation" means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by the listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

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

B. Application For Participation

Application for Participation shall be made in such manner and form as may be described by the Board of Directors of the Service and made available to any REALTOR® (Principal) member requesting it. The application form shall contain a signed statement agreeing to abide by these Bylaws and any other applicable Rules and Regulations of the Service as from time to time adopted or amended.

C. Discontinuance Of Service

Participants of the Service may discontinue the Service by giving the Service 30 days written notice and may reapply to the Service within 6 months by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid.

D. 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 licensee designee.

ARTICLE 5.**Service Charges**

The charges made for participation in the Service shall be as determined and as amended from time to time by the Board of Directors of the Service, and specified in Rules and Regulations of the Service.

ARTICLE 6.**Governing Body****A. Government Of The Service**

The government of the Service shall be vested in a Board of Directors comprised of the elected Officers and Directors nominated and elected as described in this Article. Officers and Directors of the Service must be a primary REALTOR member of the Greater South Bend-Mishawaka Association of REALTORS, Inc.

B. Officers Of The Service

The Officers of the Service, who shall also be Directors, shall be a President, a Vice President, and Secretary-Treasurer and shall have such duties as described in this Article.

C. BOARD OF DIRECTORS

The Board of Directors shall consist of three (3) Directors who must be MLS Participants. The Board shall consist of a President, a Secretary-Treasurer, and a past President who shall each serve as a Director. The President and Secretary Treasurer shall be nominated and elected by the MLS Participants, annually at the Annual MLS Participants Meeting.

D. Nomination And Election Of Directors

The Directors of the Service shall be nominated by a vote of the Participants in the Service in accordance with the provisions of Article 7, Meetings, of these Bylaws and as further set forth following:

1. Nominating Committee. The President of the Service shall appoint a Nominating Committee each year which Committee shall be comprised of 5 Participants of the Service. The appointment of the Nominating Committee shall be made by such a date as to enable the Committee to meet and select a proposed slate of Directors of the Service not more than 60, nor less than 30 days prior to the date of the meeting of the Participants of the Service at which nominees shall be selected by vote of the

Participants. The proposed slate of Directors shall be reported to the President and Secretary of the Service.

2. Notice of Proposed Nominees. The President shall cause a list of the proposed nominees selected by the Nominating Committee to be forwarded to the Participants of the Service, setting forth the time, place, and other pertinent conditions of the meeting to select the final list of nominees by vote of the Participants of the Service. The notice to the Participants of the Service concerning the meeting to select nominees for Directors shall be mailed on a date at least 20 days prior to the proposed meeting.

3. Rights Of Participants To Select Additional Nominees. The names of additional proposed nominees may be added to the list selected by the Nominating Committee by a nomination made from the floor at the duly noticed meeting of the Participants to select nominees for Directors and, if seconded, shall be added to the list of proposed nominees.

4. Voting By Written Secret Ballot. Voting for selection of nominees, if other than on a motion to cast a unanimous vote for the original proposed slate shall be by secret ballot, and said ballot shall contain blank spaces for writing in additional names proposed from the floor at the meeting to select nominees.

5. Vote To Select Nominees. Voting shall be in accordance with provisions of Article 7 of these Bylaws.

E. TERM OF OFFICE

The Board shall serve a one-year term except for the President who will serve the following year as Past President.

The three MLS Directors elected by the MLS Participants will be submitted to the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® for affirmation by December of each year. The MLS Board of Directors will assume their respective offices on January 1 of each year following their election.

F. DUTIES OF OFFICERS AND DIRECTORS

The duties of the MLS Board shall be as follows:

1. The President shall preside at meetings of the Board of Directors, and shall perform all the duties of President subject to declared policies and, as required, subject to confirmation of the Board of Directors.
2. The Secretary/Treasurer shall attend all meetings of the Board of Directors and shall record, or cause to be recorded, accurate minutes of such meetings. The Secretary/Treasurer shall perform all duties which are, by law or custom, incident to such office and such other duties as may, from time to time, be assigned to this position by the Board of Directors or the President. The Secretary-Treasurer shall be the custodian of the funds of the Service 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 monthly statement of all accounts and financial affairs for the Service, and shall have charge of the corporate seal and affix the name to all documents properly requiring such seal.

3. The Board of Directors shall have the power to adopt and change Rules and Regulations, as required by the National Association of Realtors, consider and adopt MLS Policy changes, examine and change pricing of the service, and consider and adopt changes to the MLS system changes. Such actions will be subject to the final approval of the Greater South Bend-Mishawaka Association of REALTORS® Board of Directors.

G. *Nominees Submitted To Shareholder For Election.* When nominees for Directors of the MLS for the forthcoming fiscal year have been selected by vote of the Participants of the Service, such nominees shall be submitted to the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder) for affirmation. Upon affirmation by the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder), the individuals so elected shall be considered Directors-Elect and shall assume their respective offices on January 1.

The term of office for Directors of the Service shall be on a calendar year basis. In the event one (1) or more nominee(s) is/are not affirmed by the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder), and upon notice of such failure of affirmation, the President of the Service shall select a proposed Participant or Participants, as required, subject to confirmation by the Board of Directors of the Service and Affirmation by the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder) to fill the vacancy or vacancies.

In the event that nominees are not duly and timely provided by the Service to the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS®, as provided in these Bylaws, then the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® shall exercise rights as sole exclusive shareholder to elect a Participant or Participants of the Service to fill any existing vacancy or vacancies as Directors of the Service.

H. Election Of Officers

All Officers shall be elected from among the Directors of the Service and the favorable vote of a majority of the whole Board of Directors shall be required for election. Said election shall take place at the next regularly scheduled MLS Directors meeting following the Participants Annual Meeting. The Officers shall be elected by the Board of Directors who will serve during the ensuing year.

The Board of Directors of the Service shall be the governing body of the Service and shall have control of all the affairs of the Service and shall authorize all expenditures of funds. The Board of directors shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of the Service, for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the Participants of the Service for approval on a date not less than 30 days prior to the first day of the next fiscal year. The Board of Directors shall not incur an obligation in excess of \$1,000.00

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over the total budget without the authorization by vote of a two thirds majority of REALTOR® Participants of the Service present and voting unless such excess is the result of an increase in the

volume of listings processed by the Service over that projected in preparing the annual budget, or the Board of Directors may change the budget in the same ratio as the actual income varies from the anticipated income.

A transfer of funds from the "Capital Reserve Fund" account shall require 25% of the MLS Participants for a Quorum. A majority vote by such Participants present or by proxy shall be required for Authorization of transfer. The Board of Directors shall employ such executive, legal, and office personnel it deems necessary to care for and maintain the properties of the Service and otherwise conduct the administrative business of the Service. 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 & Regulations that they may deem appropriate subject to final approval of the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder). Except as otherwise provided in these Bylaws and Rules & Regulations the action of the Board of Directors shall be final.

ARTICLE 7. **Meetings**

A. Annual Meeting

The annual meeting of the Participants of the Service shall be held during the month of November at the time and place specified by the Board of Directors.

B. Special Meetings Of The Service

Special meetings of Participants of the Service may be called from time to time by the President of the Board of Directors or by 1/3 of the Participants of the Service. 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 all REALTORS® who are Participants in the Service not less than 15 days prior to said meeting.

C. Quorum And Voting At Meetings Of The Service

For the transaction of business 25% of the Participants of the Service shall be considered a quorum. A majority vote by such Participants present or by a proxy shall be required for passage of a motion.

D. Meeting 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 5 Members of the Board of Directors. Five (5) Directors shall 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 motion. Absence from two (2) regularly scheduled meetings during a one year period, shall be construed as a resignation. A notice of all Directors meetings must be sent either by email, by letter or phone call to all Directors at least twenty-four (24) hours prior to the meeting.

E. Presiding Officer

At all meetings of the Participants of the Service, or 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

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President and Vice President, the President shall name a temporary Chairman, or upon his failure to do so, the Board of Directors of the Service shall appoint a temporary Chairman.

F. Proxy Voting

All Proxy votes shall be cast on a form provided by the MLS Directors.

G. Electronic Voting

MLS Directors may institute electronic voting, at their discretion.

ARTICLE 8. **Committees**

The President with the approval of the Board of Directors, shall create such standing or Ad Hoc Committees as he deems desirable and shall appoint their Members. Each Committee shall consist of not less than 2 Participants in the Service, but may also include REALTORS® employed by or affiliated as independent contractors with a REALTOR® Participant serving as representatives of said REALTOR® Participants and with their consent, and who may serve either as a Chairman or Member of a Committee.

ARTICLE 9. **Fiscal Year**

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

ARTICLE 10. **Amendments To Bylaws**

A. Amendments To Bylaws

Amendments to these Bylaws shall be by the Participants of the Service, and shall be determined at an Annual Meeting or Special Meeting of the Service in accordance with the provisions of Article 7 concerning Meetings of the Service. Amendments to the Bylaws of the Service approved by the Participants shall further be subject to approval of the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder).

When amendments to the Bylaws of the Service have been approved by the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder), said amendments shall be effective immediately or as stated in the amending resolution.

If the proposed amendments to the Bylaws of the Multiple Listing Service fail approval of the Board of Directors of shareholder, the Board of Directors of the Multiple Listing Service shall be informed, and advised that the proposed amendment or amendments to Bylaws be further considered and resubmitted to shareholder as approved by the Participants of the Multiple Listing Service.

B. Amendments To Rules And Regulations

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Amendments to the Rules And Regulations of the Service shall be by consideration and approval of the Board of Directors of the Multiple Listing Service in accordance with the provisions of Article 7, Section

D, concerning Meetings of the Board of Directors, subject to final approval by the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder).

When approved by the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder) as described, the amendments to the Rules And Regulations of the Multiple Listing Service shall be effective immediately or as stated in the amending resolution.

If the proposed amendments of the Multiple Listing Service Rules And Regulations fail approval by the Board of Directors of the shareholder, the Board of Directors of the Multiple Listing Service shall be informed, and advised that the proposed amendment or amendments must be further considered and resubmitted as approved by the Board of Directors of the Multiple Listing Service to the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder).

ARTICLE 11.
Dissolution

In the event this Service shall at any time terminate its activities, the Board of Directors of the Service shall consider and adopt a plan of liquidation and dissolution with the approval of the Participants thereof and of the Board of Directors of the Greater South Bend-Mishawaka Association of REALTORS® (shareholder). Said plan shall provide for the collection of all assets, the payments of all liabilities, and the remaining portions thereof be assigned to the parent corporation, namely, Greater South Bend-Mishawaka Association of REALTORS®.