

**BYLAWS OF THE MULTIPLE LISTING SERVICE
OF THE
MONTGOMERY AREA ASSOCIATION OF REALTORS[®], INC.**

ARTICLE 1--Name

The name of this organization shall be the "Multiple Listing Service of the Montgomery Area Association of REALTORS[®], Inc." hereinafter referred to as the "Service", all shares of stock of which are solely and wholly owned by the Montgomery Area Association of REALTORS[®], Inc.

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 non-agency capacities defined by law) by which cooperation among participants is enhanced; and 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. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease). It is a means by which Participants engaging in real estate appraisal contribute to common databases, and it is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. (Amended 1997 & 1998-NAR)

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 Montgomery Area Association of REALTORS[®].

ARTICLE 4--Participation

1. Participation Defined: 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 are capable of accepting and offering compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a 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 a Association Multiple Listing Service 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 the Service for the Participant's firm, partnership, or corporation, and for compliance with the

bylaws and rules and regulations of the Service by all persons affiliated with the Participant who utilize the Service. (Amended 4/98 - NAR)

2. Nonmember Participation Defined: Participation in the Service is also available to nonmember principals who meet the qualifications established in the Association's bylaws and MLS rules and regulations. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "participation" or "membership" unless they hold a current, valid real estate broker's license and are capable of accepting and offering compensation to and from other Participants, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a 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 a Association Multiple Listing Service where access to such information is prohibited by law. The nonmember principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation as the "Participant" shall have only those rights, benefits, and privileges as specified by the Service, and shall accept all obligations to the Service for the Participant's firm, partnership, or corporation, and for compliance with the bylaws and rules and regulations of the Service by all persons affiliated with the Participant who utilize the Service. (Amended 4/98 - NAR)

B. Application for Participation.

1. Application shall be in accordance with procedures prescribed by the Board of Directors of the Service. Participation is available to any REALTOR[®] or non-REALTOR Principal requesting it. The application form shall contain a signed statement agreeing to abide by the Bylaws, Rules and Regulations of the Service as from time to time adopted or amended (Amended 6/93).

2. A non-REALTOR applicant for MLS Participation who is a principal, partner, corporate officer or branch office manager acting on behalf of a principal, in addition to the application form, shall supply evidence satisfactory to the Membership Administrator that he/she has no record of recent or pending bankruptcy¹ and has no record of official sanctions involving unprofessional conduct². In addition, he/she must also agree to complete a course of instruction (if any) covering the MLS Rules and Regulations and take and pass any reasonable and nondiscriminatory written examination required by MLS. Further, if elected as a Participant, he/she agrees to abide by these Bylaws and the Rules and Regulations and to pay the MLS fees and dues, including any non-REALTOR fee differential, established by the Board of Directors of the Service.

NOTES: 1. 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, or corporate officer 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, participation may not be rejected unless the MLS establishes that its interest and those of its Participants and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for MLS fees for up to one (1) year from the date that participation is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event

that an existing Participant initiates bankruptcy proceedings, the Participant may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the Participant has been discharged from bankruptcy.

2. NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the MLS may only consider judgments within the past three (3) years of violations of civil rights laws, real estate license laws, or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

C. Discontinuation of Service. Participants may discontinue affiliation with the Service by giving fifteen (15) days written notice. Participants may reapply to the Service after six (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 all non-principal brokers, sales associates, and all licensed and certified appraisers, including trainees, affiliated with Participants (Adopted 6/93).

ARTICLE 5--Fees and Charges

A. Charges. Charges for participation in the Service shall be determined by the Board of Directors and specified in an addendum to the Rules and Regulations of the Service.

B. Recovery and Reimbursement. Each Participant/Subscriber agrees to reimburse the Multiple Listing Service for any and all expenses incurred by the MLS attempting to recover any fees and/or charges as a result of Participant's/Subscriber's failure to pay fees and charges in accordance with the Rules and Regulations of the Service. In the event the MLS commences legal proceedings against a Participant/Subscriber to recover or enforce any provisions of these Bylaws, Rules and Regulations, contracts or leases, the Participant/Subscriber agrees to pay all costs incurred by the MLS including but not limited to any reasonable attorney's fees, collection fees and court costs. The MLS reserves the right to employ any means of collection or recovery it deems appropriate.

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 elected in accordance with Article 7.

B. Officers of the Service. The elective officers shall be a President, a Secretary, and a Treasurer. Each shall be elected for terms of one year except the Immediate Past President who will fill that office for one year upon installation of the newly elected President. No person shall be eligible to serve as an officer of this Service until he/she has served at least one year as a Director. An Executive Vice President chosen and paid by the Service shall also be an ex officio officer of the Service without vote. Each officer's duties are as described in Article 7. (Amended 10/99)

C. Board of Directors. There shall be twelve (12) elected members of the Board of Directors of the Service: 9 directors plus the President, Treasurer and Secretary (officers). In addition to the elected Directors and officers, the Immediate Past President of the Service shall serve on the Board of Directors with full voting privileges. An Executive Vice President chosen and paid by the Service shall be a member of the Board of Directors and Executive Committee, without vote. (Amended 10/99)

ARTICLE 7--Nomination and Election of Officers and Directors

A. **Officers and Directors.** The officers and directors of the Service shall be nominated and elected in accordance with the provisions below.

1. *Nominating Committee.* The President will appoint a 5-member Nominating Committee each year composed of the Immediate Past President, any other Past President, and three other Participants or subscribers. Members are subject to approval of the Board of Directors of the Service, and all must be members in good standing. No member will serve for more than two consecutive years. The Committee will be appointed early enough to ensure selection of a proposed slate of officers and directors of the Service prior to the annual business meeting of the Service. The proposed slate must be approved by the Board of Directors of the Montgomery Area Association of REALTORS® prior to being presented to the Board of Directors of the Service and the Participants and subscribers. (Amended 10/99)

2. *Nomination of Officers.* The Nominating Committee will review the qualifications of any REALTOR® participant or subscriber who agrees to run for office and will develop a slate of officers for the Service. To be qualified, an individual must have (a) served at least one year on the MAAR or MLS Board of Directors prior to nomination, (b) chaired at least one MAAR or MLS committee or major task force, (c) served on at least two other MAAR or MLS committees, (d) been a REALTOR® and Participant or Subscriber of the Association/MLS for four (4) years, and must be a member in good standing. An individual with a primary occupation other than that of a full-time REALTOR® and MLS Participant or Subscriber cannot seek or serve as an Officer. The Nominating Committee will place only the names for nomination which would not cause representation from any company to exceed one officer, excluding the past president. However, officers who change companies during their elected tenure will continue to serve regardless of whether or not the change would cause representation of any company to increase. The proposed slate must be approved by the Board of Directors of the Montgomery Area Association of REALTORS® prior to being presented to the Board of Directors of the Service (Amended 10/99 and 05/01)

3. *Nomination of Directors.* The Nominating Committee will review the qualifications of all Participants and subscribers for a position on the Board of Directors. To be qualified, an individual must either be or have been an active member for at least two years of an MLS/MAAR committee or served on a major task force of the MLS/MAAR, or must previously have been a Director of the Service, and shall be a REALTOR® and Participant or Subscriber member in good standing. An individual with a primary occupation other than that of a full-time REALTOR® and MLS Participant or Subscriber cannot seek or serve as a Director. All qualified individuals will be placed on nomination ballots. A ballot will be published in the MAAR/MLS newsletter, emailed, and faxed. Each Participant and subscriber may nominate up to two (2) candidates for each vacant position on the Board of Directors. The six candidates receiving the highest number of nominating votes will be submitted to the Board of Directors of the Montgomery Area Association of REALTORS® (the Shareholder of the Service) for approval. Nominees may also be added by petition (see *Rights of Participants and Subscribers to Select Additional Nominees*). (Amended 10/99 and 05/01))

4. *Rights of Participants and Subscribers to Select Additional Nominees.* The names of additional, *qualified* proposed nominees may be added to the list proposed by the Nominating Committee by a petition submitted to the Secretary of the Service. The petition must be signed by twenty (20%) percent of the Participants and subscribers of the Service. Said petition must indicate the position on the Board of Directors for which the individual is being nominated and must be received not less than 7 days prior to the annual business meeting of the Service. These candidates, after being approved by the Board of Directors of the Montgomery Area Association of REALTORS[®], shall have their names placed on the election ballot to be presented to the Participants and subscribers.

5. *Election of Directors.* Once approved by the Association Board of Directors, the names of nominees will be placed on an *election* ballot to be voted upon by Participants and subscribers either by fax, email, or at a meeting of the Service. Participants and subscribers may vote via email or fax during a specified time and at the MLS office during the five business days prior to the annual meeting or during a specified time at the annual meeting.” For an election ballot to be counted, at least one vote must be cast for a nominated candidate, and ballots cast in person must be signed by the person casting the vote. All votes on valid ballots will be counted and tabulated by the Nominating Committee. The election process will be completed so that the results of the election may be announced at the Annual Business Meeting of the Service in October. Directors will take office on January 1. (Amended 05/01, 07/01, and 08/01)

B. Term of Office. Officers shall serve one-year terms; elected directors shall serve for staggered three-year terms with one-third (1/3) of the terms expiring each year. Officers and directors shall take office upon the effective date of the offices and shall continue until their successors are elected, qualified, and installed. Elected directors may not succeed themselves in a director’s position; officers may not be re-elected to the same office consecutively.

C. Vacancies. Vacant officer and director positions shall be filled by the Board of Directors until the next annual election. Directors and officers appointed for one year or less may succeed themselves if elected in the next election.

D. Duties of Officers and Directors. The duties of officers and directors shall be as follows:

1. *President.* The President shall be the Chief Executive Officer of the Service and shall preside at its meetings and those of the Board of Directors. He/she shall perform all the duties of President subject to declared policies and, as required, subject to confirmation of the Board of Directors.

2. *Treasurer.* The Treasurer shall be the custodian of the funds of the Service and shall keep an accurate record of all receipts and disbursements. He/she shall provide all members of the Board of Directors with a quarterly statement of all accounts and financial affairs for the Service. He/she shall have charge of the corporate seal and affix the name to all documents properly requiring such seal. All or part of these responsibilities may be delegated to the Executive Vice President and staff for day-to-day administration. The Treasurer shall, in the absence of the President, perform all the duties of President. (Amended 10/99)

3. *Secretary.* The Secretary shall serve as an understudy for the Treasurer position and as the Vice Chairman of the Finance Committee to allow the officer time to become familiar with the financial workings of the Multiple Listing Service. (Adopted 4/97)

4. *Board of Directors.* The Board of Directors shall be the governing body of the Service. It shall have control of all the affairs of the Service and shall authorize all expenditures of funds. All checks in excess of \$100 shall be signed by at least an Officer and staff member designated by the Board of Directors of the Service. All persons authorized to sign checks shall furnish surety bonds in such amounts as the Board of Directors of the Service shall deem necessary, the cost to be paid by the Service. The Board of Directors of the Service shall, prior to the end of each fiscal year, prepare a budget reflecting projected income from all sources. The budget shall be submitted to the Board of Directors of the Service for approval on a date not less than thirty (30) days prior to the first day of the next fiscal year. The Board of Directors of the Service shall not incur an obligation in excess of \$10,000 over the budgeted item without the authorization of the Board of Directors of the Montgomery Area Association of REALTORS® (Shareholder) 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. The Board of Directors of the Service 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. All employees shall abide by the personnel manual of the Montgomery Area Association of REALTORS®/Multiple Listing Service as amended. The Board of Directors of the Service shall have the right to make an audit of all books and accounts at any time without notice. The Board of Directors of the Service shall have the power to adopt such rules and regulations that they may deem appropriate. Except as otherwise provided in these Bylaws and Rules and Regulations and any applicable government statute, ordinance, or regulation, the action of the Board of Directors of the Service shall be final.

5. *Executive Committee.* Whenever the Board of Directors of the Service shall be in adjournment, the Executive Committee shall be authorized in its stead to control expenditures, authorize interim expenditures for unforeseen needs and to take other measures to preserve the financial condition of the Service. Such actions shall be recorded in the minutes of the Executive Committee's meeting with that portion of the minutes then presented at the next scheduled meeting of the Board of Directors of the Service and thus incorporated into the minutes of the Board of Directors Meeting.

E. Executive Vice President. The Board of Directors may employ an Executive Vice President (EVP) and prescribe his or her functions. The EVP may employ other persons as may be necessary to properly conduct the activities of the Service.

ARTICLE 8--Meetings

A. Annual Meeting. The annual meeting of Participants and subscribers of the Service shall be held during October at the time and place specified by the Board of Directors of the Service.

B. Special Meetings of the Service. Special meetings of Participants and subscribers of the Service may be called from time to time by the President, the Board of Directors, or by twenty (20%) percent of the Participants and subscribers of the Service. Written notice stating the day and hour of the meeting, the place and the purpose for which the meeting is called, shall be delivered to all Participants and subscribers in the Service not less than ten (10) days prior to said meeting.

C. Quorum and Voting at Meetings of the Service. The Participants and subscribers in good standing in attendance for any called meeting shall constitute a quorum and shall be entitled to vote. At a meeting with a quorum present, a majority of the Participants and subscribers present and voting shall be required to pass a motion. (Amended 08/01)

D. Meeting of the Board of Directors. The Board of Directors shall designate a time and place for regular meetings. The Annual Business Meeting of the Service will be an additional regular meeting. The directors may meet at any time deemed advisable (special meeting) on the call of the President or any three (3) members of the Board (Amended 9/94).

E. Quorum and Voting at a Board of Directors Meeting. Eight (8) members of the Board of Directors of the Service, one of which must be an Officer, constitutes a quorum. At any meeting with a quorum, a majority vote by the Directors of the Service present and voting shall be required to pass a motion (Adopted 9/94).

F. Removal of Officers and/or Directors. Absence from three regular meetings without a written excuse deemed valid by the Board of Directors shall be construed as resignation from the Board; missing four (4) regular meetings in a calendar year, with or without excuse, will be construed as resignation. The President or a member of the Executive Committee will notify an individual after the second absence (Amended 9/94).

G. Presiding Officer. At all meetings of the Service or of the Board of Directors, the President, or in the absence of the President, the Treasurer shall serve as presiding officer. In the absence of the President or Treasurer, 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.

ARTICLE 9--Committees

The President, with the approval of the Board of Directors of the Service, shall create, and appoint members to, such standing or ad hoc committees as he deems desirable. Chairmen of the MLS Rules and Policies, MLS System Committee, and Forms Committees shall be appointed by the President of the Service for one year. In addition, an Executive Committee shall consist of the President serving as chairman, Treasurer, Secretary and Immediate Past President, with vote, and the Executive Vice President, without vote.

ARTICLE 10--Fiscal and Elective Year

The fiscal year of the Service shall commence on January 1 and shall end on December 31. The elective year shall begin January 1 and end December 31. (Amended 07/01)

ARTICLE 11--Rules of Order

Robert's Rules of Order, latest edition, shall be the authority governing conduct of meetings of the Service, its Board of Directors and committees in all instances where its provisions do not conflict with these Bylaws.

ARTICLE 12--Amendments

A. Amendments to Bylaws. Amendments to these Bylaws shall be by vote of the Participants and subscribers of the Service at an annual or special meeting of the Service in accordance with the Provisions of Article 8. Amendments approved by the Participants and subscribers must then be approved by the Board of Directors of the Montgomery Area Association of REALTORS[®], the Shareholder. When an amendment to the Bylaws of the Service has been approved by the Board of Directors of the Montgomery Area Association of REALTORS[®], said amendment shall be effective immediately or as stated in the amending resolution. If the proposed amendment of the Bylaws of the Service fails to be approved by the Board of Directors of the Shareholder, the Board of Directors of the Service shall be informed and advised that the proposed amendment(s) be considered further and resubmitted to the Board of Directors of the Montgomery Area Association of REALTORS[®], the "Shareholder" as approved by the Participants and subscribers of the Service. The Board of Directors may, at any regular or special meetings of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

B. Amendments to Rules and Regulations. An amendment to the Rules and Regulations of the Service shall be approved by the Board of Directors of the Service, subject to final approval by the Board of Directors of the Montgomery Area Association of REALTORS[®] (Shareholder). Once approved as described, the amendments to the Rules and Regulations of the Service shall be effective immediately or as stated in the amending resolution. If the proposed amendment of the Multiple Listing Service Rules and Regulations fails to gain 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(s) must be further considered and resubmitted as approved by the Board of Directors of the Service to the Board of Directors of the Montgomery Area Association of REALTORS[®] (Shareholder).

ARTICLE 13--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 Board of Directors of the Montgomery Area Association of REALTORS[®] (Shareholder). Said plan shall provide for the collection of all assets, the payment of all liabilities, and the remaining portions thereof be assigned to the Board of Directors of the Montgomery Area Association of REALTORS[®] (Shareholder).