



THE SOUTHEASTERN MICHIGAN MULTIPLE LISTING SERVICE MLS BYLAWS

Article 1, Name

Article 1 - Name

The name of this organization shall be the Southeastern Border Association of REALTORS® Multiple Listing Service of The Southeastern Michigan MLS., hereinafter referred to as the Service, all the shares of stock of which are solely and wholly-owned by The Southeastern Border Association of REALTORS®.

Article 2, Purposes

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A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyers agents or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhances; 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 participant 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). (Amended 11/04)

Article 3, Service Area

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 Southeastern Michigan MLS.

Article 3.1, Governing

Article 3.1 – Governing Documents

The board of directors shall cause any Multiple Listing Service established by it pursuant to this article to conform its corporate charter, constitution, bylaws, rules, regulations, policies, practices, and procedures at all times to the constitution, bylaws, rules, regulations, and policies of The Southeastern Michigan MLS.

Article 4, Participation

Article 4 – Full-Service Participation Defined.

Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, branch manager who is 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 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” “membership” or any right to access to information developed by or published by an 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. Full-Service Participants are eligible to vote and to hold office with the service.

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

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a “Virtual Office Website” (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has 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. (Adopted 11/08)

Note: An Association may also choose to have the membership committee consider the following when determining a nonmember applicant’s qualifications for MLS participation or membership:

- All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years

- Pending ethics complaints (or hearings)
- Unsatisfied discipline pending
- Pending arbitration requests (or hearings)
- Unpaid arbitration awards or unpaid financial obligations to this or any other association or association MLS

Article 4.1 - Application for Full Service, and Full-Service Appraiser Participation

Application for participation shall be made in such manner and form as may be prescribed by the Board of Directors of the Service and made available to any REALTOR® (principal) or Appraiser member of this or any other Association 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 amended or adopted. (Adopted 02/94)

Article 4.2 - Discontinuance of Service

Participants of the Service may discontinue the Service by giving written notice and may reapply by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid. Discontinued Participants that apply after 12 months can do so by formal application and fees. If the participant applies prior to the 12 months, the full year MLS User Fees are required.

Article 4.3 - Subscribers

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants. (Adopted 04/92)

Article 4.4 - Full-Service Participation - Services.

Full-Service Participants who meet the qualifications set forth in Article IV Section A, shall be entitled to the following: all technical and communication services.

Article 5, Service Charges

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 the Rules and Regulations of the Service.

Article 6, Governing Body

Article 6 - Government of the Service

The government of the Service shall be vested in a Board of Directors comprised of the *appointed* Officers and Directors as described in this Article.

Article 6.1 - Officers of the Service

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

Article 6.2 - Board of Directors

There shall be a total of nine Directors. *Three* Designated Directorships shall be filled by; the current President-Elect (who shall serve as President of the Service) of The Southeastern Border Association of REALTORS®, the current Treasurer of The Southeastern Border Association of REALTORS®, and the Immediate Past President of the Service. The Immediate Past President of the Service shall

appoint *a* director from the Full-Service Participants of the Service, or from among REALTORS® other than Full-Service Participants, if they are affiliated with Full-Service Participants and are able to serve with the consent of the Full-Service Participant. This director shall serve as Vice-President of the Service. The remaining six directorships shall be appointed by majority vote of the above *three* individuals, from the Full-Service Participants of the Service, or from among REALTORS® other than Full-Service Participants, if they are affiliated with Full-Service Participants and are able to serve with the consent of the Full-Service Participant. Any non-Full-Service Participant Director serves as a representative of the Full-Service Participant with whom they are affiliated. One of the appointed directors shall serve as Vice-President of the Service.

Article 6.3 – Nomination and Election of Officers and Directors

- **EXEMPT**

Article 6.4 - Term of Office

The term of the Designated Directors shall be the same as that for the office on which the designation is based. Appointed Directors shall serve 2-year terms. Subsequent Director appointments shall fill vacancies as they occur. No appointed Director may serve more than two consecutive terms. Prior service as an appointed Director shall not bar subsequent service as a Designated Director.

Article 6.5 - Duties of Officers and Directors

The duties of the Officers and Directors shall be as follows:

1. The President shall be the presiding officer of the Service 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 the duties of the President.
3. The Treasurer shall be the custodian of the funds of the Service and shall keep an accurate record of all receipts and disbursements. The Treasurer shall provide to all Members of the Board of Directors a quarterly 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.
4. 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 Board of Directors shall not incur an obligation in excess of \$5000 over the total budget without the authorization by vote of a two-thirds majority of REALTOR® Full Service 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. 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 and Regulations that they may deem appropriate subject to final approval of the Board of Directors of The Southeastern Michigan MLS (shareholder). Except as otherwise provided in these Bylaws and Rules and Regulations, the actions of the Board of Directors shall be final.

Article 6.5.1 – Vacancies

Vacancies among the Officers and Directors shall be filled by a simple majority vote of the Board of Directors. The Director or Officer so elected shall serve for the balance of the vacated term. (Adopted 11/19)

Article 6.6 - Removal of Officers and Directors

In the event that an Officer or Director of the Multiple Listing Service 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. (Adopted 11/96)

1. A petition requiring the removal of an Officer or Director and signed by not less than one-third of the Participants or a majority of all Directors of the MLS shall be filed with the President of the MLS, 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. (Adopted 11/96)
2. 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 Participants of the MLS 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. (Adopted 11/96)
3. The special meeting shall be noticed to all Participants at least ten (10) days prior to the meeting, and shall be conducted by the President of the MLS 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 or the hearing by the Participants. Provided a quorum is present, a three-fourths vote of Participants present and voting shall be required for removal from office. (Adopted 11/96)
4. Any vote taken by the Participants to remove an Officer or Director must ultimately be confirmed by a majority vote of the Directors of the shareholder(s). Notwithstanding the foregoing, the shareholder(s) may remove an Officer or Director by a majority vote of the Directors of the shareholder(s). (Adopted 11/96)

Article 6.6.1 - Authority to Employ an Executive Vice President

The Board of Directors shall have the authority to employ an Executive Vice President (EVP), who shall be the same as the EVP Southeastern Border Association of REALTORS®. He or she shall perform such duties as assigned by the Directors following consultation with the Board of Directors of The Southeastern Michigan MLS. The EVP shall, in addition to other duties, act as Secretary for the Service, keep records of the Service and perform all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS®, the Michigan REALTORS® and Southeastern Border Association of REALTORS®. With the approval of the Board of Directors, the EVP may employ other persons as may be necessary to conduct the activities of the Service.

Article 7, Meetings

Article 7 - Annual Meeting

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

Article 7.1 - Special Meetings of the Service

Special meetings of Participants of the Service may be called from time to time by the President, the Board of Directors, or upon written request by 20% of the Full-Service Participants of the Service. A ten (10) day written notice or 10-day electronic 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 ten (ten) days prior to said meeting.

Article 7.2 - Quorum and Voting at Meetings

For the transaction of business, at all meetings of the Participants of the Service, 20% of the Full-Service Participants of the Service shall be considered a quorum. A majority vote by such Participants present and voting at a meeting attended by a quorum shall be required for passage of motions. For transaction of business by the Board of Directors, five Directors shall be required for a quorum and a simple majority vote by those present shall be required for the passage of all motions unless otherwise specified herein.

Article 7.3 - 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 50% 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 motions.

Article 7.4 - 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 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 the Service shall appoint a temporary chairperson.

Article 8, Committees

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. Each Committee shall consist of not less than six participants in the service, but may also include REALTORS® OR REALTOR®-ASSOCIATE®S, 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 chairperson or member of a committee.

Article 9, Fiscal Year

Article 9 - Fiscal Year

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

Article 10, Amendments

Article 10 - Amendments of Bylaws

Amendments of these bylaws shall be by the participants of the Services, and shall be determined electronically in accordance with the provisions of Article Seven, concerning Meeting 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 Southeastern Border Association of REALTORS® (shareholder),

When amendments to the Bylaws of the Service have been approved by the Board of Directors of the Southeastern Border 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 the MDRRA (shareholder), the Board of Directors of the Multiple Listing Service shall be informed, and advised that the proposed amendment or amendments to the Bylaws be further considered and resubmitted to the shareholder as reconsidered and or resubmitted to shareholder as approved by the participants of the Multiple Listing Service.

Article 10.1 - Amendments to Rules and Regulations

Amendments to the Rules and Regulations of the Service shall be by consideration and approval of the Board of Directors of the Service in accordance with the provisions of Article 7, Section B, concerning Meetings of the Board of Directors, and shall not be effective until approved by the Board of Directors of the Southeastern Border Association of REALTORS® (shareholder).

When approved by the Board of Directors of The Southeastern Michigan MLS (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 Rules and Regulations fail to be approved by the Board of Directors of the shareholder, the Board of Directors of the of the multiple listing service shall be informed, and advised that the proposed amendment or amendments must be further considered resubmitted as approved by the Board of Directors of the multiple listing service to the Board of Directors of the Southeastern Border Association of REALTORS® (shareholder).

Article 11, Dissolution

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 Southeastern Border Association of REALTORS® (shareholder). Said plan shall provide for the collection of all assets, the payment of all liabilities, and that the remaining portions thereof be assigned to the parent corporation, namely, the Southeastern Border Association of REALTORS®.

Adopted 09/2019
Amended 01/2020