

Tucson Association of REALTORS®
Multiple Listing Service, Inc.

BYLAWS

Approved: October 7, 2005

Effective: October 7, 2005

Certified: April 30, 2009

ARTICLE I – NAME

Section 1. Name.

The name of this organization shall be the Tucson Association of REALTORS® Multiple Listing Service, Inc., hereinafter referred to as the Service. All the shares of stock of the Service are solely and wholly-owned by the Tucson Association of REALTORS®, Inc.

Section 2. Gender.

The words “he,” “his” and “him” as used in these Bylaws shall be deemed to refer to both the masculine and feminine gender and shall include the words “she,” “hers” and “her.”

ARTICLE II – PURPOSE

A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting either as subagents, buyer agents, or 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 appraisal contribute to common databases; and is a facility for orderly correlation and dissemination of listing information so Participants may better serve their clients and customers and the public. Entitlement to compensation is determined by the cooperating broker’s performance as a procuring cause of the sale (or lease).

(Revised 4/2009)

ARTICLE III – SERVICE AREA

The area within which the Service functions shall at all times be coextensive with or within the territorial jurisdiction of the Tucson Association of REALTORS®, Inc.

ARTICLE IV – PARTICIPATION

Any REALTOR® Member of this or any other Association or non-member licensee who is a principal, partner, corporate officer, or branch office manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in the Multiple Listing Service 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

Arizona 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. *Amended 11/08*

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. (Adopted 11/08)

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 in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

Use of information developed by or published by the 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 the Service where access to such information is prohibited by law.

The REALTOR® Principal or non-Member Principal of any firm, partnership, or corporation designated by said firm, partnership, or corporation shall be termed the "Participant" in the Service and 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, Rules and Regulations and written Policies of the Service by all persons affiliated with the Participant who utilize the Service. *(Revised 3/2000)*

Section 2. Application for 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 non-member (Principal) requesting it. The application form shall contain a signed statement agreeing to abide by these Bylaws, and any other applicable written Policies and Rules and Regulations of the Service as from time to time adopted or amended.

ARTICLE V – ACCESS

Access to Comparable and Statistical Information.

Tucson Association of REALTORS®, Inc. Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the Service, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the Service including “comparable” information, “sold” information, and statistical reports. This information is provided for the exclusive use of the Tucson Association of REALTORS®, Inc. Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the Service Rules and Regulations. Tucson Association of REALTORS®, Inc. Members who receive such information through the Service’s MLS, are subject to the applicable provisions of the Service Rules and Regulations and written Policies whether they participate in the MLS or not.

ARTICLE VI – FEES

The fees 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 written Policies of the Service.

ARTICLE VII – GOVERNANCE OF THE SERVICE

Section 1. Governance of the Service.

The Governance of the Service shall be vested in a Board of Directors. The membership of the Board of Directors shall consist of 10 Directors who shall be selected as follows; (A) The MLS Participant representing the real estate firm with the largest number of year-to-date Sold Listings, including both listings and selling sides, through August 31st of each calendar year, as set forth in the MLS Market Share Report, shall appoint two (2) fee-paying members to the Board of Directors for the following calendar year. (B) The four MLS Participants representing the second, third, fourth and fifth largest firms, having the next highest number of year-to-date Sold Listings, including both listings and selling sides, through August 31st of each year, as set forth in the MLS Market Share Report, shall each appoint one (1) fee-paying member to the Board of Directors for the following calendar year. (C) In October 2006, the Participants of the remaining real estate firms in MLS shall elect (1) fee-paying member for a one-year term and (2) fee-paying members for two-year terms to the Board of Directors. Thereafter, the three elected Directors will be elected for two-year terms. The three elected Directors may not be associated, in any capacity, with the five (5) largest real

estate firms. (D) In December of each year, the current President of the Tucson Association of REALTORS® (TAR), shall designate one (1) Director, who shall be the current TAR President-elect. If the President-elect is unable or unwilling to serve as an MLS Director then, in that event, the current TAR President shall designate a person who has also been elected to serve as a TAR officer during the ensuing year to serve as Director. With the exception of the Director designated by TAR, none of the appointed or elected Directors may contemporaneously serve as a TAR Director. All of the MLS Directors shall first be confirmed by the Shareholder prior to taking office. *(Revised 10/07/05)*

Section 2. The Board of Directors of the Service.

The Board of Directors shall be charged with the responsibility of management of the Service's business, including the adoption of necessary Rules and Regulations and written Policies and the levy of fines in the enforcement thereof.

- (a) The appointed Directors shall serve for a term of one (1) year. The elected Directors shall serve for a term of two (2) years.
- (b) A quorum for the transaction of business shall require one-half of the number of Directors fixed by Article VII, Section 1 of these Bylaws. At all meetings of the Board of Directors of the Service each director present shall be entitled to one (1) vote.
- (c) 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 Shareholder for approval not less than thirty (30) days prior to the first day of the next fiscal year.
- (d) The Board of Directors shall not incur any obligation in excess of \$15,000 per non-budgeted item per annum, not to exceed an aggregate amount of 5% of the approved fiscal year budget, without authorization by a two-thirds (2/3) vote of the entire Board of Directors. Funds designated as reserves may be expensed in excess of the aforementioned amount, for an applicable purpose for which the reserve was established.
- (e) An annual audit of the books of the Tucson Association of REALTORS® Multiple Listing Service, Inc. shall be performed by a Certified Public Accountant selected by the Board of Directors of the Shareholder.
- (f) The Board of Directors shall elect, in January, a President, Vice President, and Treasurer and any other officers deemed necessary from the Directors who shall serve on an annual basis. At no time shall the TAR appointed Director serve as an officer of MLS. *(Revised 1/17/2002)*
- (g) All monies received by the Service for any purpose shall be deposited to the credit of the Service in a federally insured financial account(s) (i.e. Bank/S&L Certificates of Deposit, Money Markets, etc.) or U.S. Government Backed Securities (i.e. U.S. Treasury Bills, GNMA's, FNMA's, Overnight Repurchase Agreements, Federal Farm Credits, Sallie Maes, Freddie Macs, etc.) selected by resolution of the Board of Directors.

- (h) The Board of Directors shall have the power from time to time to adopt such Rules and Regulations and written Policies as they may deem appropriate.
- (i) Except as otherwise provided in these Bylaws and Rules and Regulations and written Policies, the action of the Board of Directors shall be final.
- (j) All Directors must be fee-paying members in good standing in order to serve.
- (k) Removal of Officers and Directors: A Director or Officer may be removed from office by a majority vote of the Directors of the Shareholder.
(Revised 8/9/2000)
- (l) Vacancies occurring among the MLS Officers and Directors shall be filled from the source (appointed or elected) they came from. If the vacancy is from an elected position the next highest vote getter from the previous election meeting the qualifications will be offered the vacancy. In the event there is no one to serve from the elected positions the Board of Directors shall appoint a replacement from that source with a majority vote.
(Revised 3/8/2001)

Section 3. Duties of the Officers.

Chief Executive Officer:

The Board of Directors of the Shareholder, along with input from the MLS Directors, shall employ a Chief Executive Officer whose duties shall be those as may be prescribed from time to time by the Board of Directors in the form of a written job description delivered to the Chief Executive Officer. The Chief Executive Officer shall be the Ex-Officio Secretary of the MLS Corporation, and shall be a non-voting member of the MLS Board of Directors. The term of office shall be set by the Board of Directors of the Shareholder and shall be set forth in a written contract of employment approved by the Shareholder Board of Directors.

(Revised 3/8/2001)

Duties of Officers:

The duties of the officers shall be as follows:

(a) President.

The President shall chair all meetings of the Multiple Listing Service. The President shall act as the representative of the Multiple Listing Service in all matters, public or otherwise, in accordance with the MLS Bylaws and Polices, unless instructed to the contrary by the Board of Directors. *(Revised 3/8/2001)*

(b) Vice President.

In the absence of the President, the Vice President shall act for the President in their absence. The Vice President shall perform other such duties as requested by the President. *(Revised 3/8/2001)*

(c) Treasurer.

The Treasurer shall be responsible for the supervision and maintenance of the financial records of this Multiple Listing Service including, but not limited to, preparation of the budget, preparation of not less than quarterly financial statements and the distribution

of same to the Directors of the Shareholder, and keeping current records of fee status of all members. (Revised 3/8/2001)

ARTICLE VIII – MEETINGS

Section 1. Meetings of the Participants of the Service.

(a) Annual Meetings.

The annual meeting of the participants shall be held concurrently with or immediately following the annual meeting of the Tucson Association of REALTORS®, Inc., which is currently held in March of each year. (Revised 1/21/03)

(b) Other Meetings.

Meetings of the Participants may be held at any time as the President or the Board of Directors may determine, or upon the written request of at least 5% of the Participants eligible to vote. A quorum for the transaction of business shall consist of those participants present and eligible to vote.

(c) Notice of Meetings.

Written notice shall be given to every Participant entitled to participate in the meeting at least fourteen (14) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 2. Meetings of the Directors.

(a) The Board of Directors shall designate a regular time and place of meetings. Absence from three (3) regular meetings without an excuse deemed valid by the Board of Directors shall be construed as a resignation. A quorum for the transaction of business shall be one-half of the number of Directors fixed by Article VII, Section 1 of these Bylaws. If a quorum is present at the beginning of a meeting, a vote may be taken on any matter properly brought before the meeting so long as at least a majority of Directors are still present. (Revised 3/8/2001)

(b) Special Meetings

Special meetings of the Board of Directors may be called from time to time by the President or by a quorum of 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 all Directors not less than fourteen (14) days prior to said meeting.

(c) Emergency Directors Meetings

In the event of an emergency as determined by the President or the Chief Executive Officer, there shall be a minimum of twenty-four (24) hours notice of an emergency meeting given to the Board of Directors. Such notice need not be in writing. A quorum for an emergency meeting shall be one-half of the Board of Directors as set by Article VII, Section 1 of these Bylaws.

Section 3. Meetings of the Shareholder.

(a) Meetings.

There shall be one shareholder; namely, the Tucson Association of REALTORS®, Inc. Meetings of the Shareholder shall be held at the principal office of the corporation or at such other place and at a time as may be specified or fixed in the notice of such meeting for the transaction of such business as may properly come before said meeting.

(b) Notice of Meetings.

Written notice of Shareholder meetings shall state the place, date and hour of the meeting, and shall be given to the Shareholder of record entitled to vote at such meeting no less than ten (10) days nor more than thirty (30) days before the date of the meeting, and shall state the purpose(s) for which the meeting is called. Business transacted shall be limited to the purpose(s) stated in the notice.

Notice of special or regular meetings shall be delivered either personally or by mail, electronic mail or facsimile and, if by mail, such notice shall be deemed delivered when deposited in the United States mail, addressed to the Director at his address as it appears on the records of the corporation, with postage prepaid thereon.

(c) Special Meetings

Special meetings of the Shareholder may be called at any time by the President or Chief Executive Officer, or by a majority of the TAR Board of Directors then in office and shall be held in conformance with (a) and (b) above.

(d) Quorum.

At all Shareholder meetings the presence in person of a quorum of the Board of Directors of the Tucson Association of REALTORS®, Inc. shall be necessary to constitute a quorum for the transaction of business.

(e) Voting.

At all meetings of the Shareholder, each Director of the Tucson Association of REALTORS®, Inc. shall be entitled to one vote in person.

(f) Action Without Meeting.

Any action required or permitted to be taken at any meeting of the Shareholder may be taken without a meeting, without prior notice and without a vote, if consent in writing, setting forth the action to be taken, shall be signed by the Directors of the Tucson Association of REALTORS®, Inc.

ARTICLE IX – COMMITTEES

Section 1. Standing Committees.

The President shall appoint, subject to confirmation by the Board of Directors, the following Standing Committees:

(a) Budget Committee

- (b) Technology Committee
 - (c) MLS Standards Committee
 - (d) MLS Business Planning
- (Revised 3/8/2001)*

Section 2. Special Committees, Forums, Divisions, and Working Groups

The President shall appoint, subject to confirmation by the Board of Directors, Special Committees, Forums, Divisions and Working Groups as he may deem necessary.

Section 3. Task Forces

The President at his discretion may appoint one or more persons as a Task Force to investigate a matter and report to him without the approval of the Board of Directors.

Section 4. Organization

- (a) All committees shall have such duties, functions and powers as assigned by the President or the Board of Directors. All committees shall have not less than three (3) members. All committee members shall be Participants or licensees affiliated with Participants except as otherwise provided herein. All committee's composition shall reflect the composition of the MLS participants to the extent possible. Absence from three (3) regularly scheduled meetings without an excuse deemed valid by the Board of Directors shall be construed as a resignation. *(Revised 3/08/2001)*
- (b) The Technology Committee shall consist of not less than ten (10) members appointed by the Chair, and ratified by the Board of Directors, for staggered two (2) year terms. The Chairman shall be appointed by the President subject to confirmation by the Board of Directors. *(Revised 05/22/02)*
- (c) The Standards Committee shall consist of not less than six (6) members appointed by the Chair, and ratified by the Board of Directors, for staggered two (2) year terms. The Chairman shall be appointed by the President subject to confirmation by the Board of Directors. *(Revised 05/22/02)*
- (d) The Business Planning Committee shall consist of members of the Tucson Association of REALTORS® Multiple Listing Service, Inc. Board of Directors, and 3 MLS participants at large approved by the Board of Directors. *(Revised 3/8/2001)*

Section 5. President.

The President shall be an ex-officio member of all Standing Committees and shall be notified of their meetings.

Section 6. Board of Directors.

The Board of Directors may appoint, by a vote of one half of the number of Directors as fixed by Article VII, Section 1 of these Bylaws, any Committee, Forum, Division or Working Group they may deem necessary.

Section 7. Removal of Appointed Committee Members.

The President may remove the Chairman or any member of a Standing Committee, Special Committee, Forum, Division or Working Group of the Service with the approval of the Board of Directors.

ARTICLE X – FISCAL AND ELECTIVE YEAR

Section 1. Fiscal Year.

The fiscal year of the Service shall be the calendar year.

Section 2. Elective Year.

The elective year of the Service shall be the calendar year. Terms of all committees shall coincide with the elective year.

Section 3. Days.

When used in these Bylaws “days” shall mean calendar days.

ARTICLE XI – RULES OF ORDER AND NOTIFICATION

- (a) Robert’s Rules of Order, latest edition, shall be recognized as the authority governing the meeting of the Service, its Board of Directors, Committees, Forums, Divisions, and Work Groups in all instances wherein its provisions do not conflict with these Bylaws.
- (b) Notification. Unless otherwise specified, the words "announce," "distribute," "disseminate" and "written notice" used herein, may be interpreted as printed information in the official association publication, electronic mail or facsimile.

ARTICLE XII – AMENDMENTS

- (a) Amendments to these Bylaws shall be by recommendation of the Tucson Association of REALTORS® Multiple Listing Service, Inc. Board of Directors or by the Participants of the Service, at a meeting in accordance with the provisions of Article VIII and subject to final approval by the Board of Directors of the Tucson Association of REALTORS®, Inc. (Shareholder). Said amendments shall be effective immediately or as stated in the amending resolution. *(Revised 3/8/2001)*
- (b) Notice of all meetings at which amendments are to be considered shall be delivered to every Participant eligible to vote at least thirty (30) days prior to the meeting. *(Revised 3/8/2001)*
- (c) Amendments to these Bylaws that are mandatory changes required by the National Association of REALTORS® shall be incorporated herein, without further approval of the Board of Directors or the Participants. *(Revised 8/9/2000)*

- (d) Amendments to the Rules and Regulations and Policies of the Multiple Listing Service shall be by consideration and approval of the Board of Directors of the Multiple Listing Service, in accordance with the provisions of Article VIII, Section 2, concerning Meetings of the Board of Directors. Said amendments shall be effective immediately or as stated in the amending resolution.
(Revised 3/8/01)

ARTICLE XIII – DISSOLUTION

In the event this Service shall at any time terminate its activities, the Board of Directors of the Service shall adopt a plan of liquidation and dissolution with the approval of the Participants and of the Board of Directors of the Tucson Association of REALTORS®, Inc. (Shareholder). Said plan shall provide for the collection of assets, the payment of liabilities, and any remaining assets shall be assigned to the parent corporation, namely, the Tucson Association of REALTORS®, Inc.

ARTICLE XIV – INDEMNIFICATION

The corporation shall indemnify, upon the terms hereinafter set forth, any person who incurs expenses or losses by reason of the fact he is or was an officer, director, employee, committee person, or agent of the corporation, acting on behalf of the corporation at the time of the alleged act in question (hereinafter referred to as “indemnitee”). This shall apply in all circumstances in which indemnification is permitted by law, including those circumstances where indemnity is permissible pursuant to Arizona Revised Statutes §10-005.

Subject to the further provisions hereof, the corporation shall indemnify any and all indemnitees against all expenses and loss incurred by them and each of them, including but not limited to legal fees, judgments, penalties, and amounts paid in settlement or compromise, which may arise or be incurred, rendered, or levied in any legal action brought or threatened against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment as director, officer, employee, committee member or agent of the corporation, while acting on behalf of the corporation at the time of the alleged act in question, whether or not any action is or has been filed against them and whether or not any settlement or compromise is approved by a court. Whenever any indemnitee shall report to the President of the corporation or the Chair of the Board of Directors that he has incurred or may incur any such expense or loss for or on account of any action or omission alleged to have been committed by him while acting as an indemnitee of the corporation, the Board of Directors shall consider the issue at its next regular meeting or at a special meeting held within a reasonable time thereafter. Such indemnitee shall be indemnified against all expense and loss if the Board at such meeting determines in good faith that with regard to the matter involved in the action or contemplated action, the indemnitee acted reasonably and reasonably believed his actions or failure to act was in the best interest of the corporation and in the case of criminal action or proceedings, has no reasonable cause to believe the conduct was unlawful at the time, then indemnification shall be granted. Provided, however, that as a condition of indemnification, the indemnitee shall notify the corporation of any claim or potential claim

within sixty (60) days after first becoming aware of the same, and shall permit the corporation, at its sole expense and through counsel of its choice, to represent and defend the indemnitee in connection with such claim, and shall fully cooperate with the corporation and its counsel in said defense. The corporation shall have the right to refuse indemnification in any instance in which the indemnitee shall have failed to notify the corporation of the claim as required or shall have refused to cooperate with the corporation in the defense of the matter or refused to permit the corporation, at its own expense and through counsel of its own choosing, to defend him in the action. Provided further, however, that the Board of Directors may, at its option and in its sole discretion, elect to provisionally retain counsel and investigate such claims or potential claims and/or defend the same, reserving its right to refuse indemnification and withdraw such defense, in the event it is later determined that the indemnitee is not entitled to indemnification under the terms of this provision. If the Board of Directors elects to proceed under a reservation of rights, it shall notify the person in writing of its intent to proceed under a reservation of rights.

ARTICLE XV – EFFECTIVE DATE

These Bylaws of the Tucson Association of REALTORS® Multiple Listing Service, Inc. shall become effective
October 7, 2005.