

**STATE-WIDE MULTIPLE LISTING SERVICE, INC.
BY-LAWS**

ARTICLE I

Name

This Association shall be named the STATE-WIDE MULTIPLE LISTING SERVICE, INC., (and may sometimes be referred to as State-Wide MLS, “the MLS”, or “the Service”) all of the shares of stock of which are solely and wholly-owned by the Rhode Island Association of REALTORS ("RIAR").

ARTICLE II

Purpose

The purpose of the Service is to provide a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (as 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; and by which Participants engaging in real estate appraisal contribute to common databases and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the Cooperating Broker’s performance as a procuring cause of the sale, lease or exchange.

State-Wide MLS is the prime provider of real estate tools and information through a cooperative communication network among its Participants.

ARTICLE III

Service Area

The area within which the Service shall function shall at all times be coextensive with or within the territorial jurisdiction of the Rhode Island Association of REALTORS.

ARTICLE IV

Participation

1a. Participation – A REALTOR who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification except otherwise stipulated in these bylaws, shall be eligible to participate in the 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 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 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. (Amended 11/08)

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 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. (Adopted 11/08)

1b. "Subscribers" - Subscribers of the Service include non-principals affiliated with Participants who hold a current, active, valid real estate broker's license, a current, active, valid salesperson's license, or a current, active, valid appraiser's license or certification. A Subscriber's right to utilize information is limited to those activities authorized to the Participant's office with which said Subscriber is affiliated; said information shall not be used or made available to any non-MLS individuals or firms, nor be used by the Subscriber for any real estate activity outside of the Participant's office. These are deemed to be unauthorized uses.

1c. "Users" - Users of the Service include employees of the Participant who are not licensed as a real estate broker, salesperson, or appraiser but have access to the data (e.g. a secretary, office manager, unlicensed personal assistant).

ARTICLE V

Service Charges

SECTION 1. The amount of admission fees, dues and other charges shall be fixed from time to time by the directors of the Service.

ARTICLE VI

Rules and Regulation, and Enforcement

SECTION 1. The board of directors shall formulate rules and regulations for the general management and for the operation of the Service. All MLS Participants of the Service shall comply with such rules and regulations as if they were made a part herein. Such rules and regulations may be amended, modified or repealed by a two-thirds (2/3) vote of the directors present and voting, provided that a quorum is present and subject to approval of a majority of the board of directors of RIAR and subject to approval by NAR. Written notice of the substance of any proposed change in the rules and regulations shall first have been sent to each MLS director at least five (5) days before meeting. Any further change to an amendment submitted for consideration shall be deemed to be a new amendment subject to re-approval of the board of directors of the Service, NAR, and the board of directors of RIAR.

SECTION 2. The Executive Committee of the State-Wide Multiple Listing Service, Inc. shall give consideration to all written complaints having to do with a violation of the by-laws or rules and regulations of the Service. Upon consideration, and consistent with the MLS Rules and Regulations, violations shall be either administratively considered by the Service or forwarded to the appropriate local board for a professional standards review.

- (a) Upon written notification from a local board that a REALTOR Participant has been terminated, suspended, or expelled from that board, MLS shall terminate service to that Participant after further review, until MLS is advised that said Participant is a member in good standing of a local board.
- (b) Upon written notification from a local board that a REALTOR Subscriber has been terminated, suspended, or expelled from that board, MLS shall terminate service to that individual Subscriber until MLS is advised that said Subscriber is a member in good standing of a local board.

ARTICLE VII

Board of Directors

SECTION 1. The control and administration of the affairs of the Service shall be vested in the board of directors. No compensation shall be paid to directors for their services. Nothing herein shall be construed to preclude any director from providing services to the Service in any other capacity and receiving compensation therefore, as long as they

conform to the adopted conflict of interest guidelines.

SECTION 2. The board of directors shall be comprised of not more than fourteen (14) Participants of the Service, consisting of the officers (director-officers) and two Participants from each member board of RIAR all appointed by the President of RIAR and confirmed by the board of directors of RIAR, except that not more than 49% of the directors may be appointed from among REALTOR Subscribers other than Participants who are affiliated with Participants and serve with consent of the Participants. Prior to the annual membership meeting of the Service, one director from each member board shall be appointed to serve a two-year term. For those directors who do not serve as officers, director terms from each board are established such that no two terms expire in the same year; one director from each board shall be the chairperson of the MLS Committee of that board. No member of the board of directors may be appointed for more than two successive terms of appointment except in the event the RIAR President requests a Director who has served two (2) successive terms to remain to serve as President for a fifth year. Terms of directors who serve as officers are further described in Article VIII. Vacancies of the board of directors created by other than expiration of a term shall be filled by the President of RIAR for the unexpired term, and confirmed by the directors of RIAR. The RIAR President with the approval of the Board of Directors RIAR may cause each seat in the State-Wide Multiple Listing Service, Inc., Board of Directors to be vacated for cause, in which event new appointments shall be made in the manner prescribed herein.

The installation of officers and director shall be held at the annual membership meeting of the Service. The term of office of each member of the board of directors who does not serve as an officer shall commence immediately following installation and shall terminate twenty-four (24) months later, unless appointed to a second two-year term, or unless s/he resigns prior to the end of his/her term, or unless requested to vacate the seat by the RIAR President with the approval of RIAR Board of Directors. The President and President-elect of RIAR, the NAR MLS Policy Committee representative(s) and the Immediate Past President of the Service shall serve as ex-officio, non-voting members of the Board of Directors for a period of one year

SECTION 3. A Participant who participated in the Service, whether as an individual or principal or designated REALTOR of a participating office, shall not serve as a director or officer of the State-Wide Multiple Listing Service, Inc. until all past-due fees, fines and assessments levied by the Service are paid in full even if the entity obligated to pay such amounts is not now in existence, or is not now participating in the State-Wide Multiple Listing Service, Inc.

SECTION 4. Any director who accumulates 3 (three) absences from regular or special meetings of the board of directors within a one year elective period shall be deemed to have resigned from the board of directors and from any office s/he may hold in the Service which vacancy shall be filled as herein provided. Requests for reinstatement shall be made in writing, and shall be considered by the board of directors. Reinstatement shall be made only upon approval by the board of directors.

SECTION 5. The board of directors shall administer the finances of the Service and shall set the fees, dues and other charges of the Service. The accounts of the Service shall be audited annually by a certified public accountant retained by the board of directors.

SECTION 6. A majority of the board of directors shall constitute a quorum for the transaction of any and all business that may come before it. For the matter of determining a quorum, vacant directorships shall not be counted until such vacancy has been filled as herein provided.

SECTION 7. The board of directors may retain outside legal and other professional counsel.

ARTICLE VIII

Officers

SECTION 1. The officers of the Service shall consist of director-officers to include the President, Vice President, Secretary and Treasurer. All director-officers shall be appointed by the President of RIAR from among the board of directors of the Service and approved by the board of directors of RIAR. The date of appointment and commencement of service of each officer appointed by the President shall coincide with the date of appointments of the board of directors at the annual membership meeting of the Service or as soon as may be reasonably made thereafter.

SECTION 2. Appointed director-officers shall hold office for a term of one year, and may not succeed themselves more than one time in any particular officer position. The duties of the officers shall be as their titles, by general usage, would indicate and as may be described herein or assigned to them respectively by the RIAR President from time to time as required.

SECTION 3. The Service shall pay for and provide a surety bond for the Treasurer, the CEO (Chief Executive Officer), and all signatories of financial accounts, in an amount as may be determined by the board.

SECTION 4. There shall be an Executive Committee of the board of directors, consisting of the director-officers. The Immediate Past-President shall be invited to attend Executive Committee meetings as a non-voting member. This committee shall meet at such times as the President deems necessary for the purpose of formulating and recommending to the board, for approval, general and budgetary policies regarding the operation of the Service, and shall keep a record of its acts and proceedings. During intervals between meetings of the board, the Executive Committee shall be empowered to approve day-to-day working decisions within budgetary constraints, and shall be authorized to conduct business on an emergency basis. All such decisions made by the

Executive Committee shall be reported at the next meeting of the board.

ARTICLE IX

Professional Staff

SECTION 1. There shall be a professional staff to serve the Service, the board of directors, the officers, and the members thereof in all matters of common interest to the Service.

SECTION 2. The CEO shall be the chief administrative officer of the staff and shall serve at the pleasure of the board of directors under terms and conditions to be approved by the board of directors.

SECTION 3. There shall be other professional, clerical and other employees as the board of directors shall determine from time to time. All employees of the Service shall be subject to the direction of the CEO.

SECTION 4. The CEO and the staff shall perform all duties assigned to them from time to time by the board of directors.

ARTICLE X

Meetings

SECTION 1. General Participant meetings of the Service shall be called by the President whenever the President shall deem such meetings necessary or desirable or whenever requested by a majority of the board of directors or by written petition of 20% of the Participants. At the Annual Meeting, an MLS report will be given to the general membership.

SECTION 2. Notice of all general meetings shall be provided to all Participants at least three (3) days prior to date of the meeting.

SECTION 3. Meetings of the board of directors shall be called by the President whenever the President shall deem such meetings necessary or desirable or whenever the President is requested to do so by a majority of the board of directors or by written petition of twenty (20) percent of the Participants. Notice of meetings of the board of directors shall be provided to each member of the board of directors at least three (3) days prior to the date of the meeting.

SECTION 4. All meetings of the Service shall be conducted under the procedure governed by the current edition of ROBERT'S RULES OF ORDER.

ARTICLE XI

Committees

SECTION 1. The President of the Service, subject to the approval of the board of

directors, shall establish such standing, special, temporary, or other committees of the Service as shall be determined from time to time, and shall determine the extent of authority and responsibility of such committees, the number of members thereof and, in the case of temporary committees, the time when such committees shall be required to take action and report thereon.

SECTION 2. The President of the Service shall be an ex-officio member of all committees.

SECTION 3. All actions of the committees shall be subject to the approval of the board of directors of the Service.

ARTICLE XII

Offices

The principal office of the Service shall be located at 100 Bignall Street, Warwick, Rhode Island, or at such other place or places that the board of directors may from time to time designate.

ARTICLE XIII

Fiscal Year

The fiscal year of the Service shall begin on the first day of January in each year and end on the last day of December of such year.

ARTICLE XIV

Amendments

SECTION 1. These by-laws may be amended at any meeting of the directors by an affirmative vote of two-thirds (2/3) of the directors, provided that written notice of the substance of any proposed amendment shall first have been sent to each director at least five (5) days in advance of the meeting. Additions or changes to, or amendments of, these by-laws are subject to the approval the board of directors of the Service, NAR and of the board of directors of RIAR.

SECTION 2. Any by-laws requirements mandated by N.A.R. shall become effective upon the sole approval of the State-Wide MLS board of directors.

ARTICLE XV

Indemnification

SECTION 1. The Service shall, except to the extent prohibited by law, indemnify any person who was or is a party or is threatened to be made a party to any threatened,

pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Service) by reason of the fact that such person is or was a director or an officer, director, employee or agent of the Service, or is or was serving at the request of the Service as an officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the Service, and, with respect to any criminal action or proceeding, such person had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner in which such person reasonably believed to be in or not opposed to the best interest of the Service, and with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

ARTICLE XVI

Dissolution

In the event the 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 three quarters ($\frac{3}{4}$) of the directors of the Service and of the board of directors of RIAR. Said plan shall provide for the collection of assets, the payment of liabilities, and the remaining portions thereof, to be assigned to RIAR.

Revised and approved by RIAR and NAR 4/05 (Section 4. VIII)

Revised and approved by RIAR 10/02

Approved by MLS 11/02

Revised 12/01

Approved by MLS 12/01

Approved by NAR 2/02

Approved by RIAR 2/02

Mandated by NAR-Approved by RIAR 2/07

Mandated by NAR – Article IV Adopted by MLS 3/09