

**BYLAWS
of the
Real Estate Information System
of
Southwestern Michigan, Inc.**

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**BYLAWS
of the
REAL ESTATE INFORMATION SYSTEM OF SOUTHWESTERN MICHIGAN, INC.**

ARTICLE 1 - NAME

The name of this organization shall be the REAL ESTATE INFORMATION SYSTEM OF SOUTHWESTERN MICHIGAN, INC., hereinafter referred to as the REIS, all the shares of the stock of which are solely and wholly-owned by the Southwestern Michigan Association of REALTORS®, Inc.

ARTICLE 2 - PURPOSE

The REIS is a means for the orderly collection, correlation and dissemination of all real property information for REALTORS and any other individuals authorized by the Board of Directors. The active listing information shall be handled by a Committee of the REIS called the Multiple Listing System. The Multiple Listing System is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting either as subagents, buyer agents, or transaction coordinators); 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 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).

ARTICLE 3 - SERVICE AREA

The area within which the REIS shall function shall at all times be coextensive with or within the territorial jurisdiction of the Southwestern Michigan Association of REALTORS®, Inc.

ARTICLE 4 - PARTICIPATION

A. Participation Defined

REIS Participation - Any REALTOR Member of this or any other Association who is a principal, partner, corporate officer, or branch manager acting on behalf of a principal and other individuals authorized by the Board of Directors without further qualification except as otherwise stipulated in these Bylaws, shall be eligible to receive real property information from the REIS of Southwestern Michigan upon agreeing in writing to conform to the Rules and Regulations and to pay the cost incidental thereto.

MLS Participation - Any REALTOR Member 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 the Multiple Listing System 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 System “Membership” or “Participation” unless they hold a current, valid real estate broker’s license and offer or accept cooperation and compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real estate. Use of information developed by or published by the Association’s Multiple Listing System 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 Association’s Multiple Listing System where access to such information is prohibited by law.

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

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

B. Discontinuance of Service

Participants in either the REIS or MLS, or both may discontinue their participation by giving the Services seven (7) days written notice. Participants are responsible for all unpaid dues and fees.

C. Reinstatement

Reapplication to the REIS and/or the MLS shall be made by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid. FIFTY PERCENT (50%) of the annual application fee shall be paid if reapplication is within TWELVE (12) MONTHS of termination date; ONE HUNDRED PERCENT (100%) of the annual application fee shall be paid if reapplication is after ONE (1) YEAR from termination date.

ARTICLE 5 - SERVICE CHARGES

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

ARTICLE 6 - GOVERNING BODY

A. Government of the REIS.

The government of the REIS shall be vest in a Board of Directors comprised of the elected Officers and Directors of the Southwestern Michigan Association of REALTORS, who were nominated and elected in accordance with the Bylaws of the Southwestern Michigan Association of REALTORS®.

B. Duties of Officers and Directors.

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

1. The President.

The President shall be the chief executive officer of the REIS and shall preside at its meetings, and shall perform all the duties of President subject to confirmation of the REIS Board of Directors.

2. The President-Elect.

The President-Elect shall, in the absence of the President, perform all of the duties of the President.

3. The Treasurer.

The Treasurer shall be the custodian of the funds of the REIS and shall keep an accurate record of all receipts and disbursements.

4. The Board of Directors.

The Board of Directors of the REIS shall be the governing body of the REIS and shall have control of all the affairs of the REIS and shall authorize all expenditures of funds. The Board of Directors of the REIS shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of the REIS for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the Participants of the REIS on a date not less than TEN (10) DAYS prior to the May Board of Directors Meeting. All inquiries concerning the budget shall be made in person at the May Board of Directors Meeting. The Board of Directors of the REIS 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 Southwestern Michigan Association of REALTORS®, Inc. (shareholder). Except as otherwise provide in these Bylaws and Rules and Regulations, the action of the Board of Directors of the REIS shall be final.

5. Chief Staff Executive.

The Board of Directors may employ a Chief Staff Executive, who will be known as the Chief Staff Executive of the REIS. He or she shall perform such duties as, assigned by the Board of

Directors. The Chief Staff Executive, with the approval of the Board of Directors, may employ such other persons as may be necessary to conduct the activities of the REIS.

The Chief Staff Executive shall serve as Secretary for the REIS and shall preserve in books of the REIS true minutes of the proceedings of all meetings of the Participants and the Board of Directors. He or she shall safely keep in his or her custody the seal of the REIS and shall authority to affix some to all instruments where its use is required. He or she shall give all notices required by statue, Bylaws or resolution, and shall perform such other duties as may be delegated to him or her by the Directors.

6. Attendance of Directors.

Attendance at Directors meetings and the filling of vacancies on the Board of Directors shall be governed by the Bylaws of the Southwestern Michigan Association of REALTORS®, Inc..

7. The President shall assign the Directors to Committees that they will serve on as Director Liaison for the Board of Directors. The Director Liaison to a committee shall attend the committee meeting and communicate the recommendations and activities of the committee to the Board of Directors. The Director Liaison shall be an ex officio member of the committee with the right to vote.

ARTICLE 7 - MEETINGS

A. Annual Meeting

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

B. Meeting of the Board of Directors

The Board of Directors may meet at any time it deems advisable on the call of the President or any FIVE (5) Members of the Board of Directors. FIVE (5) Directors shall constitute a quorum. A majority vote by the Directors present and voting at a meeting attended by a quorum shall be required for passage of motions.

ARTICLE 8 - COMMITTEES

1. The President, with the approval of the Board of Directors, shall create such standing or Ad Hoc Committees as he deems desirable and shall appoint their members. Each Committee should consist of at least a majority of REALTOR Members.
2. MLS Committee - The REIS President shall appoint, subject to confirmation by the REIS Board of Directors, an MLS Committee of twelve (12) REALTOR Members. Six (6) Members of the Committee shall be Participants in the MLS and Six (6) Members shall be REALTORS affiliated with Participants, but not themselves Participants. No more than two Member from a company can serve on the Committee at the same time. The Committee Members shall be appointed for staggered two (2) year terms. The REIS President shall appoint a Chairman from the Committee Members.
3. The MLS shall operate under the supervision of the MLS Committee in accordance with the MLS Rules and Regulations, subject to the approval of the REIS Board of Directors.

ARTICLE 9 - FISCAL YEAR

The fiscal year of the REIS shall commence on JUNE 1ST and shall end on MAY 31ST.

ARTICLE 10 - AMENDMENTS

A. Amendments to Bylaws

Amendments to these Bylaws shall be by the Board of Directors of the REIS. Amendments to the Bylaws shall further be subject to approval of the Board of Directors of the Southwestern Michigan Association of REALTORS® (shareholder).

When amendments to the Bylaws of the REIS have been approved by the Board of Directors of the Southwestern Michigan Association of REALTORS® (shareholder), said amendments shall be effective immediately or as stated in the amending resolution.

B. Amendments to MLS Rules and Regulations

Amendments to the Rules and Regulations of the MLS shall be by consideration and approval of the MLS Committee subject to final approval by the Board of Directors of the REIS and the Southwestern Michigan Association of REALTORS® (shareholder).

When approved by the Board of Directors of the Southwestern Michigan Association of REALTORS (shareholder) as described, the amendments to the Rules and Regulations of the Multiple Listing System shall be effective immediately or as stated in the amending resolution.

ARTICLE 11 - DISSOLUTION

In the event this REIS shall at any time terminate its activities, the Board of Directors of the REIS shall consider and adopt a plan of liquidation and dissolution with the approval of the Board of Directors of the Southwestern Michigan 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 parent corporation, namely, Southwestern Michigan Association of REALTORS®.