

**BYLAWS
MULTIPLE LISTING SERVICE OF ROANOKE VALLEY, INC.**

ARTICLE 1 – NAME

The name of this organization shall be the Multiple Listing Service of Roanoke Valley, Inc., hereinafter referred to as the Service, a lawful corporation in the Commonwealth of Virginia, all of the shares of stock of which are solely and wholly owned by the Roanoke Valley Association of REALTORS®, Inc.

ARTICLE 2 – PURPOSE

A multiple listing service is a means 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.

ARTICLE 3 – GOVERNING DOCUMENTS

The Board of Directors shall cause any multiple listing service established by it pursuant to this article to confirm its corporate charter, constitution, bylaws, rules, regulations, policies, practices and procedures at all times to the constitution, bylaws, rules, regulations and policies of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE 4 – SERVICE AREA

The area within which the Service shall function shall not be limited to the territorial jurisdiction of the Roanoke Valley Association of REALTORS®, Inc. The Service area should encompass natural market areas and be periodically reexamined to ensure the boundaries encompass the relevant market area. The Service may not

require other offices of a firm to participate in the MLS if any office of that firm participates in that MLS.

ARTICLE 5 – PARTICIPATION

A. Participation Defined:

Participation in the Service is available to any REALTOR® of this or any other Association 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, upon agreeing in writing to conform to these Bylaws and Rules & Regulations of the Service 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 cooperate, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interest of their clients.

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” or “Membership” or any right of 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 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 and Rules and Regulations of the Service by all persons affiliated with Participant who utilize 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 cooperates 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, share information on listed property and make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interest of their clients. "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 cooperate with respect to properties of the type that are listed on the MLS in which participation is sought. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interest of their clients. 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 cooperate. An MLS may evaluate whether a

Participant or potential participant actively endeavors during the operation of its real estate business to cooperate 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.

B. Application for Participation:

Application for participation shall be made in such a manner and form as may be prescribed by the Board of Directors of the Service and made available to any REALTOR® Principal of this or any other Board 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 adopted or amended.

C. Discontinuance of Service:

Participants of the Service may discontinue participation in the Service by giving written notice 30 days prior to the anticipated termination date. Participants may reapply for participation in the Service provided all past dues and fees are fully paid.

D. Users:

Users of the MLS include non-principal brokers, sales associates and licensed appraisers affiliated with Participants.

ARTICLE 6 – SERVICE CHARGES

The charges made for Participation in the Service shall be determined, and as amended from time to time, by the Board of Directors of the Service and as specified in the Rules and Regulation of the Service.

ARTICLE 7 – GOVERNING BODY

A. Government of the Service:

The government of the Service shall be vested in a Board of Directors, hereinafter referred to as ‘the Board’, comprised of the Officers and Directors appointed as described in this Article.

B. Officers:

Officers of the Service, who shall also be Directors, shall be a President, a Vice-President, and Secretary-Treasurer, who shall also be the Chief Executive Officer of the Roanoke Valley Association of REALTORS®, Inc. The Officers of the Service shall be elected by the Board and shall have such duties as described in this Article.

C. Board of Directors:

The number of Directors who are to manage the corporation shall be no more than seven (7) in number, one of whom shall be the Chief Executive Officer of the Roanoke Valley Association of REALTORS®, Inc. Only the following are eligible to serve on the Board (with the exception of the Chief Executive Officer): Participant or Owner (provided Owner is a member of the Service) or Designated Supervising Broker of real estate firms who are members of the Service. Two Directors shall represent Large firms (50 members or more); two Directors shall represent Medium firms (16-49 members); and two Directors shall represent Small firms (15 members or less). None of the Directors shall be from the same firm. The Directors shall be elected by a vote of the Participants of the Service.

All members of the Board are subject to the same minimum requirements as applicants, as follows:

(i) Shall not have had any findings of violation against their license due to direct action of the member by the Virginia Real Estate Board within the preceding two (2) years;

(ii) Shall not have had any violation of the Code of Ethics within the preceding two (2) years.

Any Board member found in violation of the Code of Ethics or with a violation against their license due to direct action of the member by the Virginia Real Estate Board, must report the violation to the Board and shall be disqualified from service on the Board. A member of the Board who transfers to a firm with a member on the Board or to a firm in a different size category shall resign from the Board at the time of the transfer.

D. Election of Directors:

1. The MLS will determine the size of all MLS real estate firms as of December 15th annually for the purpose of determining firm representation in each size category.

2. Only REALTOR® members of the MLS whose names are submitted in writing during the period beginning January 15th and ending February 15th ('Application Deadline') shall be considered as an applicant for a seat on the Board.

3. All applicants for the Board shall meet the following minimum requirements as of the Application Deadline:

(i) Shall have been an MLS member in the capacity of Owner, Broker or Designated Supervising Broker for two (2) of the last three (3) years prior to Application Deadline;

(ii) Shall not have had any finding of violation against their license due to direct action of the applicant by the Virginia Real Estate Board within the preceding two (2) years prior to the Application Deadline;

(iii) Shall not have had any violation of the Code of Ethics within the preceding two (2) years to the Application Deadline;

(iv) If Applicant is a Designated Supervising Broker, Applicant must have signature of firm's Designated Broker or Owner.

4. All applicants will be required to sign a pledge at the time of application that if elected, and if found in violation of the Code of Ethics or a violation against their license due to direct action of the member by the Virginia Real Estate Board, they must report the violation to the Board and shall be disqualified from service on the Board.

5. The election will be by ballot and/or electronic means, in accordance with procedures established by the Board, on a designated date prior to March 15th as set by the Board.

6. The Designated Broker of each MLS real estate firm may vote in the election, provided the firm is an active member of the MLS at the time of the election.

7. The newly elected members of the Board shall take office as of April 1st.

8. If the MLS determines that a real estate firm with whom a Board member is licensed changes size categories from the previous December 15th, the Board member may serve until March 31st of the following year. Board member may apply during the next application period to represent a different size category, should a vacancy exist.

E. Term of Officers and Directors:

Each year of a term shall commence on April 1st and end on March 31st of the subsequent year. Directors shall serve for a two-year term and are eligible for re-election for one additional two year term consecutively. The President and Vice President shall be elected annually by the Board for a one year term. The President and Vice President may serve two consecutive one year terms in the same office. Officers and Directors shall take office upon the effective date of their offices and shall continue until their successors are installed.

G. Duties of Officers and Directors:

1. The duties of the Officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board
2. The Board 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 shall, prior to the end of the 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 shall have the right to make an audit of all books and accounts at any time without notice. The Board shall ensure that the necessary executive, legal and administrative services are available to care for and maintain the properties of the Service and otherwise conduct the administrative business of the Service. The Board shall also have the power from time to time to adopt such Rules and Regulations that they deem appropriate.
3. Any financial decisions impacting the finances and/or staffing of the Roanoke Valley Association of REALTORS®, Inc., and / or any decisions to sell the Multiple Listing Service of the Roanoke Valley, Inc., are subject to final approval of the Board of Directors of the Roanoke Valley Association of REALTORS®, Inc.

ARTICLE 8- MEETINGS

A. Annual Meeting:

The annual meeting of the Board with the shareholder of the Corporation or its designees shall be held during the month of March at the time and place specified by the Board.

B. Special Meetings:

Special meetings of the shareholder of the Corporation may be called from time to time by a majority of the Board of Directors of the Roanoke Valley Association of REALTORS®, Inc. (shareholder). Notice by electronic means stating the day, place and hour of the meeting, the purpose or purposes for which the meeting is called shall be given to each member of the Board of Directors of the Roanoke Valley Association of REALTORS®, Inc., and each member of the Board of Directors of the Service, not less than 10 days prior to the meeting.

C. Quorum and Voting at Meeting:

For the transaction of business at a special meeting of the shareholders, a majority of the Board of Directors of the Roanoke Valley Association of REALTORS®, Inc. (shareholder) shall be considered a quorum. A majority vote by such representatives of shareholder present and voting at either an annual or special meeting attended by a quorum shall be required for the passage of motions.

D. Meetings of the Board:

The Board shall meet at least quarterly or upon call of the President or upon petition to the President by at least two (2) members of the Board. Four (4)

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. Voting by proxy shall not be allowed at any meeting and only those who are qualified in accordance with the other provisions of the Bylaws and are actually present at any meeting at the time a vote is taken shall have the right to vote.

E. Presiding Officer:

At all meetings of the Board of, 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 shall appoint a temporary Chairperson.

ARTICLE 9 – COMMITTEES

The President of the Service, with the approval of the Board, shall create such Committees and Work Groups as the President deems desirable and shall appoint their Members. Members may include REALTORS employed by or affiliated as independent contractors with a REALTOR Participant who may serve either as a Chairman or Member of a Committee.

ARTICLE 10 – FISCAL YEAR

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

ARTICLE 11 – RULES AND REGULATIONS

The Board shall, from time to time, adopt such Rules and Regulations as it shall deem appropriate for the procedures to be binding upon the Participants who use the services of the Multiple Listing Service of Roanoke Valley, Inc.

ARTICLE 12 – AMENDMENTS

A. Amendments to Bylaws:

Amendments to these Bylaws shall be approved by a majority vote of the Board and the Board of Directors of the Roanoke Valley Association of REALTORS®, Inc. (shareholder), and shall be determined at an Annual Meeting or Special Meeting of the Service in accordance with the provisions of Article 7 concerning Meetings of the Service.

When amendments to the Bylaws of the Service have been approved, said amendments shall be effective immediately or as stated in the amending resolution.

B. Amendments to Rules and Regulations:

Amendments to the MLS Rules and Regulations shall be by consideration and approval of the Board. When approved, the amendments to the MLS Rules and Regulations shall be effective immediately or as stated in the amending resolution.

ARTICLE 13 – INDEMNIFICATION

The Service shall indemnify each of the Directors, Officers and Agents, whether or not then in office (and their executors, administrators and heirs) against all reasonable expenses actually and necessarily incurred by him (including attorney's

fees, judgments, fines and amounts paid in settlement) in connection with the defense of any action, suit or proceedings, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to, the best interest of the Service and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful. However, such Director, officer or agent shall have no right to indemnification in relation to matters as to which he has been adjudged liable to the Service for negligence or misconduct in the performance of his duties, unless the court in which such action or suit was brought shall determine that, in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expense which said court shall deem proper.

ARTICLE 14 – CONTRACTS AND LOANS

A. Contracts:

The Board may authorize officer, agent or agents, to enter into any contract or execute and deliver any instrument (including securities held by the Service) in the name of and on behalf of the Service, and such authority may be general or confined to specific instances.

ARTICLE 15 – CERTIFICATES FOR SHARES AND THEIR TRANSFERS

Certificates representing shares of stock or the service shall be signed by the President or Vice-President. All such certificates shall be consecutively numbered or otherwise identified.

ARTICLE 16 – DISSOLUTION

In the event this Service shall at any time terminate its activities, the Board shall consider and adopt a plan of liquidation and dissolution with the approval of

the Board of Directors of the Roanoke Valley Association of REALTORS®, Inc. (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, the Roanoke Valley Association of REALTORS®, Inc.

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