



## **CONSTITUTION AND BYLAWS OF GREATER ALABAMA MULTIPLE LISTING SERVICE, INC.**

*August 2024*

### **ARTICLE I - NAME**

The name of the corporation shall be the Greater Alabama MLS, Inc. ("MLS" or the "Corporation"); all the shares of stock of which are solely and wholly owned by the Birmingham Association of REALTORS®, Inc. ("BAR" or the "Shareholder").

### **ARTICLE II - PURPOSES**

The purposes for which the Corporation is established are (i) to establish and maintain a multiple listing service and (ii) to do any and all other acts and things authorized to be done by a corporation in the State of Alabama. A Multiple Listing Service ("MLS") a facility for the orderly correlation and dissemination of listing information so authorized Participants (as hereinafter defined) may better serve their clients and customers and the public; (ii) a means of enhancing cooperation among Participants; (iii) a means by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analysis, and other evaluations of real property for bona fide clients and customers; and, (iv) a means by which Participants engaging in real estate appraisal contribute to common databases.

Multiple listing services shall not establish or maintain any rule or policy prohibiting inclusion of exclusive agency listings that would be otherwise acceptable for inclusion in the compilation of current listing information. These Bylaws shall not be construed as requiring Participants to accept exclusive agency listings if they determine acceptance is not in their best interest or the best interest of clients or customers. However, this policy does preclude collective agreements between Participants affiliated with different firms or others to refuse to accept exclusive agency listings. This policy contemplates multiple listing services will clearly distinguish between exclusive right-to-sell and exclusive agency listings in multiple listing compilations and databases to prevent confusion about the rights and obligations of brokers who cooperate in the sale of such listings.

### **ARTICLE III - SERVICE AREA**

The area within which the Corporation shall function shall at all times be the service area as designed by the Board of Directors.

### **ARTICLE IV - PARTICIPATION**

## **Section 1. Participation Defined**

Any REALTOR® member of BAR or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal ("Participant"), without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in MLS 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 MLS "membership" or "participation" unless they hold a current, valid real estate broker's license in Alabama 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 MLS 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 MLS 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 MLS, and shall accept all obligations to MLS for the Participant's firm, partnership, or corporation, and for compliance with the Bylaws and Rules and Regulations of the MLS by all persons affiliated with the Participant who utilize the MLS.

Where the term REALTOR® is used in these Bylaws with the word "member" or the word "**Participant**", it shall be construed to mean the REALTOR® principal or principals, of this or any other association, or a firm comprised of REALTOR® principals participating in a multiple listing service owned and operated by the Board of Directors. Participatory rights shall be held by an individual principal broker unless determined by the association or MLS to be held by a firm. It shall not be construed to include individuals other than a principal or principals who are REALTOR® members of this or any other association, or who are legally entitled to participate without association membership. However, under no circumstances is any individual or firm, regardless of membership status, entitled to MLS 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 interests 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.

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, shares information on listed property, and makes property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients, and to cooperate. "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 cooperates 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 interests of their client(s). 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.

### **Section 2. Nonmember Participation Defined**

Participation in the MLS is also available to nonmember principals who meet the qualifications established in the Rules and Regulations. However, under no circumstances is any individual or firm, regardless of membership status, entitled to MLS "participation" or "membership" unless they hold a current, valid real estate broker's license in Alabama, 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 a MLS 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 MLS where access to such information is prohibited by law. The nonmember principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation as the "Participant" shall have only those rights, benefits, and privileges as specified by the MLS, and shall accept all obligations to the MLS for the Participant's firm, partnership, or corporation, and for compliance with the Bylaws and Rules and Regulations of the MLS by all persons affiliated with the Participant who utilize the MLS.

### **Section 3. 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 Corporation. The application form shall contain a signed statement by the Participant agreeing to abide by these Bylaws and Rules and Regulations of MLS as, from time to time, amended or adopted.

### **Section 4. Harassment**

Any Member of the MLS may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or MLS officer or director after an investigation in accordance with the procedures of the Association/MLS. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President and Vice President and one member of the Board of Directors selected by

the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association/MLS. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

## **Section 5. Subscribers**

Subscribers (or users) of the MLS include all non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants, except those subject to fee waiver under the MLS's policies. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant's licensed designee.

## **ARTICLE V - SERVICE CHARGES**

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

## **ARTICLE VI - OFFICERS**

### **Section 1. Positions**

The officers of the MLS shall be: a President, a President-Elect, Treasurer and a Secretary. The President-Elect shall succeed to the office of President and the Secretary shall succeed to the office of President-Elect each year. The Treasurer position is an appointed position, and will be filled by the BAR Treasurer. The officers shall also serve as members of the Board of Directors.

### **Section 2. Duties of Officers**

The duties of the officers, if and when elected by the Board, shall be as follows:

- (a) The President shall be the chief elected officer of the Corporation and shall preside at all meetings of the Participants/Subscribers and those of the Board of Directors, and shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.
- (b) The President-Elect shall, in the absence of the President, perform all of the duties of the President. The President-Elect shall perform such other duties as, from time to time, may be assigned to the President-Elect by the President or the Board of Directors.
- (c) The Secretary shall, through a staff liaison, prepare and keep the minutes of the proceedings of the Participants/Subscribers and of the Board of Directors in one or more books provided for that purpose, have responsibility for authenticating records of the Corporation; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records; and, in general, perform all duties incident to the office of Secretary and such other duties as, from time to time, may be assigned to the Secretary by the President or the Board of Directors.

(d) The Treasurer shall also be the custodian of the funds of the Corporation and, through a staff liaison, shall keep an accurate record of all receipts and disbursements. If requested by the Board of Directors, the Treasurer shall, through a staff liaison, provide to all members of the Board of Directors a quarterly statement of all accounts and financial affairs for the Corporation, and, in general, perform all duties incident to the office of Treasurer and such other duties as, from time to time, may be assigned to the Treasurer by the President or the Board of Directors.

### **Section 3. Removal of Officers**

In the event that an officer of the Corporation is deemed to be incapable of fulfilling the duties for which appointed, but will not resign from office voluntarily, the officer may be removed from office by an affirmative vote of two-thirds of the members of the Board of Directors at a special meeting called for the sole purpose of considering the removal.

### **Section 4. Counsel**

The legal personnel necessary to conduct the administrative business of the Corporation shall be determined by the Board of Directors.

### **Section 5. Staff**

In accordance with the Birmingham Association of REALTORS, Inc. Bylaws (Article XII, Section 7), the BAR Executive Committee may employ, establish the duties in writing and fix the salary of an Executive Officer, who shall be the chief administrative officer of the Association. The Chief Staff Executive shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the BAR Board of Directors. The Chief Staff Executive (CEO) of BAR is also the Chief Executive Officer (CEO) of the MLS Corporation and is responsible for administering the policies of its Board of Directors.

## **ARTICLE VII - BOARD OF DIRECTORS**

### **Section 1. General Powers**

The Board of Directors of the Corporation (the "Board of Directors") shall be the governing body of the Corporation, shall have control of all the affairs of the Corporation, and shall authorize all expenditures of funds. Without limiting the generality of the foregoing, the Board of Directors shall, prior to the end of each fiscal year, cause a budget to be prepared reflecting projected costs and expenses of the Corporation for the next fiscal year, indicating projected income from all sources. The Corporation shall not incur an obligation in excess of \$25,000 over the total budget without the authorization of the BAR unless such excess is the result of an increase in the number of computer access accounts necessitated by a significant increase in membership over that projected in preparing the annual budget. The Board of Directors may make an audit of all books and accounts of the Corporation at any time without notice. The Board of Directors shall have the power, from time to time, to adopt or amend such Rules and Regulations for the MLS that the Board of Directors may deem appropriate in keeping with Article XII, Section 2 below. Except as otherwise provided in these Bylaws, the action of the Board of Directors shall be final.

### **Section 2. Number of Directors; Qualifications**

In addition to the members of the Executive Committee as described in Article VI, Section 1 above, there shall be nine (9) elected directors. The elected directors shall serve for a three-year term, with at least three (3) directors being elected each year by the Participants/Subscribers. An elected director shall serve no more than two (2) consecutive three-year terms. The Chair of the MLS Governance Committee shall also serve as a director. The Calhoun County Area Board of REALTORS® and the St. Clair County Association of REALTORS® shall each have one appointed representative to serve as a director.

At least one of the three elected directors each year shall be a qualifying broker, company officer or branch office qualifying broker. At least one of the three elected directors each year shall be an agent or an associate broker.

No more than three (3) of the elected directors may be affiliated with the same commercial brand. Hereinafter this restriction shall be referred to as the “Brand Restriction”. Any change in status during the three year term of any director, however, shall not affect the right for the director to complete his or her term of office.

### **Section 3. Election of Officer and Directors**

- (a) No later than three months prior to the general election, a Nominating Committee of 6 GALMLS members shall be appointed equally by the President, President-Elect and immediate past President with the approval of the Board of Directors. The Nominating Committee shall elect one of its members to serve as Chairperson.
- (b) The Nominating Committee shall seek and interview applicants for Officer and Director positions, and shall recommend one candidate for each office or open position no later than four weeks prior to the annual meeting of the Participants/Subscribers, in accordance with Article VI, Section 2. The Nominating Committee of MLS should consult with the Nominating Committee of BAR to attempt to nominate one director each year to serve on both the BAR and MLS Boards of Directors. In selecting the candidates for the director's position(s), the Nominating Committee shall assume that all such nominees will be elected to the Board of Directors, and in doing so, shall be mindful not to nominate individuals who, if elected, would violate the Brand Restriction.

Any candidate not selected by the Nominating Committee may request to be added to the ballot, provided they have completed the application process and have been interviewed by the Nominating Committee. Notwithstanding the foregoing, at no time shall any individual not recommended by the Nominating Committee be included on the ballot for a position on the Board of Directors if the inclusion of such person would violate the Brand Restriction requirement when either (1) one takes into consideration the make-up of the existing Board of Directors as is, or (2) one takes into consideration the make-up of the resulting Board of Directors if all board nominations from the Nominating Committee have been appointed. This request by an individual not recommended by the Nominating Committee to be included on the ballot must be submitted no later than ten (10) days following the Nominating Committee meeting to interview candidates for Officer and Director positions.

The Nominating Committee will recommend one candidate for Secretary/, in accordance with Article VII Section 2 (b).

- (c) The report of the Nominating Committee for officer or director positions along with the official ballot shall be distributed to each MLS Participant/Subscriber at least three weeks preceding the annual meeting.
- (d) Voting shall be on-line voting. A copy of the ballot, listing all candidates for election and containing appropriate voting instructions, shall be distributed to each MLS Participant/Subscriber directly or through Designated MLS Participants at least seven (7) days prior to the annual meeting. The ballot must be cast online in accordance with voting rules and instructions.
- (e) If there are more nominees than there are officer or director positions to fill, the nominees receiving the most votes shall be deemed elected. For example if there are five nominees and three director positions to be filled, the three nominees receiving the highest number of votes shall be elected for the three positions. In the event of a tie vote, the President shall immediately choose one of the candidates receiving the tie vote by lot in the presence of all Participants/Subscribers then present at the annual meeting, and the candidate so selected shall be deemed elected.

In the event that two or more individuals affiliated with the same brand are included on the ballot as outlined in Section 3b above, and when taking into consideration the provisions of Section 3b(1) and Section 3b(2) above, the addition of less than all of such individuals to the Board of Directors would not be a violation of the Brand Restriction requirement but the addition of all such individuals to the Board of Directors (if they all were to win) would result in a violation of the Brand Restriction requirement, then in such case, said individuals shall be deemed to be running for a lesser number of slots on the Board of Directors so that there would not be a resulting violation of the Brand Restriction requirement if such slots were filled with individuals from the same brand. In the event of a tie between the individuals at large under this subsection, the provisions of Section 3e shall control.
- (f) No business other than the election shall be conducted at the annual meeting unless a quorum is present in person or by proxy.

#### **Section 4. Vacancies**

Vacancies among the Board of Directors shall be filled by a majority vote of the remaining members of the Board of Directors until the next annual election. The Nominating Committee shall select a candidate for each unexpired director term to be filled at the annual election.

#### **Section 5. Resignation and Removal From Office**

- (a) A director shall be deemed to have submitted a resignation from his/her elected or appointed positions upon the occurrence of any of the following:

- (1) Failure to attend the Board of Directors meetings according to the following attendance policy:
  - (i) An Officer's or a Director's attendance problem exists if said party has three absences to properly called meetings during a rolling twelve (12) month period, none of which are due to a medical hardship (shown by a written physician's excuse), death of an immediate family member, or travel associated with the Association. An exception exists for absences that occur when a published meeting date has been changed with less than a 60-day notice.
  - (ii) If a Director and Officer attendance problem exists, the Director or Officer, as applicable, shall be deemed to have submitted a resignation from his or her elected or appointed position effective as of the date of the third meeting missed and the Chief Staff Executive of the organization will promptly notify the individual in writing of such deemed resignation and the Board shall begin to take steps to replace such individual. Upon receipt of such notification from the Chief Staff Executive, the subject Director or Officer shall be granted the opportunity to request to come before the Board and explain why he or she should not be removed from his or her position, provided that such request is delivered to the Chief Staff Executive prior to the earlier of (a) thirty (30) days following the deemed submission of his or her resignation, or (b) the installation of his or her replacement (the "Request Deadline"). If the subject Director or Officer does not deliver his or her request prior to the Request Deadline, the party shall be deemed to have waived his or her right to request a review by the Board.
- (2) Convicted of a felony; or
- (3) Incapacity by reason of mental or physical condition to the extent that the director is unable or unwilling to fulfill the duties of the office for a period of ninety (90) days or more; or
- (4) Failure to remain qualified as an MLS Participant/Subscriber; or
- (5) Failure to abide by Section 18 – Arbitration of Disputes, or Section 19 – Standards of Conduct as defined in the MLS Rules and Regulations, as well as those of the Corporation Bylaws and Rules and Regulations which results in a suspension of, or expulsion from, membership in such organization.
- (6) Upon the suspension or revocation of his/her real estate license by the Alabama Real Estate Commission, whether the suspension or revocation is appealed, stayed or waived, unless reversed on motion of the BAR Executive Committee with the approval of a two-thirds ( $\frac{2}{3}$ ) majority vote of the MLS Board of Directors.

(b) In the event that a director of the Corporation is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the director may be removed from office on motion of the BAR Executive Committee and by an affirmative vote of two-thirds of the members of the MLS Board of Directors at a special meeting called for the sole purpose of considering the removal. After the filing of a motion by the Executive Committee and before the vote of the Board, the director shall have the opportunity to come before the Board to explain why he or she should not be removed from office.

## **Section 6. Term of Office**

The directors shall serve for a three-year term beginning on January 1 of the year following their election. Directors shall take office upon the effective date of their election and shall continue until their successors are elected, qualified, and installed. No director shall be nominated and elected to the same office for more than two (2) consecutive three-year terms.

## **Section 7. Executive Committee**

The affairs of the Corporation between meetings of the Board of Directors shall be managed by an Executive Committee which is authorized, between Board of Directors meetings, to conduct all such business as the full Board of Directors is authorized to conduct. The Executive Committee shall be composed of the officers of MLS, the Immediate Past President, and the MLS Governance Committee Chair, with the MLS President serving as Chair of the Executive Committee.

# **ARTICLE VIII - MEETINGS**

## **Section 1. Annual Meetings of Participants/Subscribers**

The annual meeting of the Participants/Subscribers of the Corporation shall be held at the time and place specified by the Board of Directors in the notice of the meeting, for the purpose of electing directors and for the transaction of such other business as may be stated in the notice of the meeting. The annual meetings of the Participants/Subscribers shall be held at the principal office of the Corporation, or at such other place as may be designated by the Board of Directors and stated in the notice of the meeting. A quorum for the transaction of business at annual meetings shall consist of ten percent (10%) of the Participants/Subscribers.

## **Section 2. Special Meetings of Participants/Subscribers**

Special meetings of the Participants/Subscribers of the Corporation may be called from time to time by the President or the Board of Directors, in each case, such special meeting to be called in the manner specified by the Alabama Business Corporation Act and these Bylaws. A quorum for the transaction of business at special meetings of Participants/Subscribers shall consist of ten percent (10%) of the Participants/Subscribers.

## **Section 3. Meetings of the Board of Directors**

The Board of Directors shall designate a regular time and place of meeting. The Board of Directors may meet at any time it deems advisable on the call of the President or any four (4) members of the Board of Directors. A quorum for the transaction of business shall consist of fifty percent (50%) plus one. A majority vote by the directors present and voting at a meeting attended by a quorum shall be required for all votes, unless otherwise required under these Bylaws or the Alabama Business Corporation Act.

## **Section 4. Presiding Officer**

At all meetings of the Participants/Subscribers or of the Board of Directors, the President or, in the absence of the President, the President-Elect, shall serve as presiding officer. In the absence of the

President and the President-Elect, the President shall name a temporary chairperson or, upon the President's failure to do so, the Board of Directors shall appoint a temporary chairperson.

## **Section 5. Notice of Meetings**

The Corporation shall notify Participants/Subscribers in writing of the date, time and place of each annual and special meeting no fewer than 10 nor more than 60 days before the meeting. Notice of an annual meeting need not include a statement of the purpose or the purposes for which the meeting is called. Notice of a special meeting shall include a statement of the purpose or purposes for which the meeting is called.

## **Section 6. Director and Officer Attendance Policy**

A. Purpose. This Director and Officer Attendance Policy is intended to encourage and facilitate full contribution of all Directors and Officers.

B. Definition of a Director and Officer Attendance Problem. An Officer's or a Director's attendance problem exists if said party has three (3) absences to properly called meetings during a rolling twelve (12) month period, none of which are due to a medical hardship (shown by a written physician's excuse), death of an immediate family member, or travel associated with the Association. An exception exists for absences that occur when a published meeting date has been changed with less than a 60-day notice.

C. Response to a Director and Officer Attendance Problem. If a Director and Officer attendance problem exists, the Director or Officer, as applicable, shall be deemed to have submitted a resignation from his or her elected or appointed position effective as of the date of the third meeting missed and the Chief Staff Executive or the organization will promptly notify the individual in writing of such deemed resignation and the Board shall begin to take steps to replace such individual. Upon receipt of such notification from the Chief Staff Executive, the subject Director or Officer shall be granted the opportunity to request to come before the Board and explain why he or she should not be removed from his or her position, provided that such request is delivered to the Chief Staff Executive prior to the earlier of (a) thirty (30) days following the deemed submission of his or her resignation, or (b) the installation of his or her replacement (the "Request Deadline"). If the subject Director or Officer does not deliver his or her request prior to the Request Deadline, the party shall be deemed to have waived his or her right to request a review by the Board.

## **Section 6. Action Without a Meeting**

Any action required or permitted by Alabama Business Corporation Act to be taken at a meeting of the Board of Directors or a Committee thereof may be taken without a meeting if the action is taken by all members of the Board of Directors or of the Committee, as the case may be. The action shall be evidenced by one or more written consents describing the action taken, signed by the director or Committee member, as the case may be, and be included in the minutes or filed with the corporate records reflecting the action taken. Action taken pursuant to such written consent is effective when the last director or Committee member, as the case may be, signs the consent, unless the consent specifies a different effective date. A consent signed has the effect of a meeting vote and may be described as such in any document.

## ARTICLE IX - COMMITTEES

### **Section 1. Creation of Committees**

The President, with the approval of the Board of Directors, shall create such standing or *ad hoc* Committees or task forces as the President deems desirable and shall appoint their members.

### **Section 2. Committee Appointment**

A standing **MLS Governance Committee** shall have the following composition:

- Must be an Greater Alabama MLS member for at least one year
- Must complete the application process to serve.
- Limited to 12 members in addition to the Committee Chair and Vice-Chair positions.
- Each committee member will serve a three-year term, with four members being appointed each year to a three-year term.
- Members cannot serve consecutive terms on the committee.
- At least 2 members of the committee shall be composed of Designated Brokers.
- Committee members must be Designated Brokers, sales associates, or appraiser members of MLS.
- Sales associates must have a minimum production of 6 transactions in the preceding year to be eligible for appointment to the committee

The charge of the MLS Governance Committee is to make policy and rule recommendations to the MLS Board of Directors; to maintain the mission and vision of the MLS, and to serve the members' best interests.

### **Section 3. Resignation and Removed from Committee**

A committee member shall be deemed to have submitted a resignation from his/her elected or appointed positions upon the occurrence of any of the following:

- Failure to attend three consecutive Committee meetings or
- Two unexcused absences within a calendar year; or
- Convicted of a felony; or
- Incapacity by reason of mental or physical condition to the extent that the member is unable or unwilling to fulfill the duties of the office for a period of ninety (90) days or more; or
- Failure to remain qualified as an MLS Participant/Subscriber; or
- Failure to abide by Section 18 – Arbitration of Disputes, or Section 19 – Standards of Conduct as defined in the MLS Rules and Regulations, as well as those of the Corporation Bylaws and Rules and Regulations which results in a suspension of, or expulsion from, membership in such organization
- Upon the suspension or revocation of his/her real estate license by the Alabama Real Estate Commission, whether the suspension or revocation is appealed, stayed or waived, unless reversed by a two-thirds ( $\frac{2}{3}$ ) majority vote of the MLS Board of Directors.

### **Section 4. Quorum Requirements**

A quorum for the transaction of business shall consist of fifty percent (50%) plus one.

## **ARTICLE X - FISCAL YEAR**

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

## **ARTICLE XI - INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS**

### **Section 1. Indemnification**

The Corporation shall indemnify, and in connection with such indemnification advance expenses to, any person who is or was a director, officer, employee or agent of the Corporation, to the fullest extent permitted by law, including without limitation the Alabama Business Corporation Act. If the amount, extent or quality of indemnification permitted by law should be in any way restricted after adoption of these Bylaws, then the Corporation shall indemnify such persons to the fullest extent permitted by law as in effect at the time of the occurrence of the omission or the act giving rise to the claimed liability with respect to which indemnification is sought. The indemnification and advancement of expenses pursuant to this Article XI shall be in addition to, and not exclusive of, any other right that the person seeking indemnification may have under these Bylaws, the Articles, any separate contract or agreement or applicable law.

### **Section 2. Insurance**

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, partner, employee or agent of the Corporation against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under applicable law.

### **Section 3. Survival of Right**

Any right to indemnification or advancement of expenses provided by or granted pursuant to this Article XI shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, administrators and personal representative of such person. Any repeal or modification of this Article XI which serves to restrict or lessen the rights to indemnification or advancement of expenses provided by this Article XI shall be prospective only and shall not lessen the right to indemnification or advancement of expenses existing at the time of such repeal or modification with respect to liabilities arising out of claimed acts or omissions occurring prior to such repeal or modification.

## **ARTICLE XII – AMENDMENTS**

### **Section 1. Amendments to Bylaws**

Amendments to these Bylaws may only be made by a two-thirds vote of the Board of Directors of BAR, the sole shareholder. When amendments to the Bylaws of the MLS have been made by the Board of Directors of BAR, said amendments shall be effective immediately or as stated in the amending resolution.

### **Section 2. Amendments to Rules and Regulations**

Amendments to the Rules and Regulations of the MLS shall be by consideration and approval of the Board of Directors of the Corporation in accordance with the provisions of Article VIII

concerning Meetings of the Board of Directors, subject to the final approval of the Board of Directors of BAR, the shareholder. When approved by the Board of Directors of MLS, the Board shall submit the proposed change to the Board of Directors of BAR. If after 15 days of being presented at the BAR Board of Directors meeting there is no objection to the proposed amendment, the amendments to the Rules and Regulations of the MLS shall be effective immediately or as stated in the amending resolution. For mandatory NAR revisions, no approval is required by the MLS Board of Directors.

### **ARTICLE XIII - DISSOLUTION**

In the event the Corporation shall at any time terminate its activities, the Board of Directors shall consider and adopt a plan of liquidation and dissolution with the approval of the Board of Directors of BAR, the sole shareholder. Said plan shall provide for the collection of all assets and the payment of all liabilities, with the remaining assets then being assigned to BAR.