



Sunflower MLS, Inc. **BYLAWS**

ARTICLE 1. NAME

The name of this organization shall be the Sunflower MLS, Inc., hereinafter referred to as "the Service" or "the MLS", all the shares of which are solely and wholly owned by the Topeka Area Association of REALTORS®, Inc., hereinafter referred to as "the stockholder" or "the Association."

ARTICLE 2. PURPOSE

A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents or in other agency or nonagency capacities as defined by law); by which cooperation among participants is enhanced, by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants so may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale (or lease).

ARTICLE 3. SERVICE AREA

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

ARTICLE 4. PARTICIPATION

A. Participation Defined. Any REALTOR® of the Association 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 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. 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 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 the participant who utilize the Service.

Mere possession of a broker's license is not sufficient to qualify for participation in the Service. 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 Service and/or to accept offers of cooperation and compensation made by listing brokers or agents in the Service. "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 make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants.

- B. **Application for Participation.** Application for participation shall be made in such manner and form as may be prescribed by the Board of Directors of the Service and made available to any REALTOR® principal of the Association or any other Association 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 the Service by giving the Service fourteen (14) days' written notice and may reapply to the Service by making formal application and payment of fees in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid.
- D. **Subscribers.** Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

ARTICLE 5. SERVICE CHARGES

The charges made for participation in the Service shall be as determined, and as amended from time to time by the Board of Directors of the Service and specified in the rules and regulations of the Service.

ARTICLE 5.1 WAIVER OF FEES, DUES, and CHARGES

A non-principal licensee, or licensed or certified appraiser who can demonstrate subscription to a different MLS where the principal broker participates may be granted a waiver of MLS fees upon proper

application by the Participant and licensee and provide such application is approved by the Board of Directors of the Service (*January 2018*)

ARTICLE 6. GOVERNING BODY

The government of the Service shall be vested in a Board of Directors comprised of the Elected Officers and Directors nominated and elected as described in this Article.

Article 6.1 Officers of the Service. The Officers of the Service, who shall also be Directors, shall be a President, Vice President, and Secretary-Treasurer.

Article 6.2 Board of Directors. There shall be a total of eight (8) elected Directors of the Service. At least six (6) Directors are to be elected from participants of the Service and no more than two (2) Directors may be elected from among REALTORS® that are non-participants affiliated with a participant and serving with the participant's consent as a representative of the participant. (*February 2017*)

A President, Vice-President and Secretary-Treasurer shall be elected annually by the carry over and newly elected Directors of the Service from within the MLS Board of Directors. Elections shall take place no later than the end of the current calendar year. In addition to the elected Directors, the current President of the Association, or a person appointed by the President of the Association, shall serve as a Director, ex-officio, with full voting privileges. (*01/2015*)

The term of office for officers and directors of the service shall be on a calendar year basis. Any vacancy in an unexpired term will be filled by the appointment of a qualified Participant by the Association's Board of Directors.

Article 6.3 Nomination and Election of Directors. The directors of the Service shall be nominated and elected as set forth below.

- A. Nomination of Directors:** The Board of Directors of the Service shall select proposed directors of the Service to fill anticipated vacancies created by expiring terms on the MLS Board not less than five (5) days prior to the date of the October meeting of the Association's Board of Directors. In selecting proposed directors, the MLS Board will nominate two (2) eligible individuals for each vacancy.
- B.** When possible, MLS Board shall consider those nominees that will provide representation of all Regions. If willing or qualified nominees are not available in a Region, an at large nomination may be submitted. (*December 2017*)
- C.** At the Association's Board's October meeting, the Association's Board shall vote to elect the Directors of the Service from the individuals nominated by the MLS Board, with the vacancies filled first by the nominated individual receiving the most votes, second by the individual receiving the next highest number of votes, etc. Elected directors shall begin serving their respective terms in January of the immediately following year.
- D. Failure to Provide List of Nominees.** In the event that nominees are not duly and timely provided by the Service to the Board of Directors of the Association, as provided for in these bylaws, then the Board of Directors of the Association shall exercise rights as sole and exclusive stockholder to elect a qualified participant or participants of the Service to fill any existing vacancy or vacancies of directors of the Service.
- E. Failure to Elect.** In the event that the nominees submitted by the Service's Board of Directors are not approved and elected by the Association's Board of Directors, the Association's Board shall notify the Service's Board of the failure to elect and the Service's Board shall submit two (2) additional, eligible individuals to fill the anticipated vacancies. The additional nominees shall be submitted to the Association's Board at least five (5) days prior to the next scheduled meeting of the Association's Board. This process will continue until all vacancies or anticipated vacancies on the MLS Board are

filled.

Article 6.4 Terms of Office. The officers shall serve for a one-year term. The elected directors shall serve for staggered three-year terms with three (3) terms expiring in years not evenly divisible by three and two (2) terms expiring in years divisible by three. Officers and directors shall take office upon the effective date of their offices and shall continue until their successors are elected, qualified, and installed. No officer or director shall be nominated and elected to the same office for more than two consecutive terms. (*February 2017*)

Article 6.5 Duties of Officers and Directors. The duties of the officers and directors are as follows:

- A. The president shall be the chief executive officer of the Service and shall preside at its meetings and those of the Board of Directors of the Service and shall perform all the duties of the president subject to declared policies and, as required, subject to confirmation of the Board of Directors of the Service.
- B. The Chief Executive Officer of SAR shall be the Administrative Officer of the MLS. (*01/2015*)
- C. The vice president shall, in the absence of the president, perform all of the duties of the president.
- D. The secretary-treasurer shall be the custodian of the funds of the Service and shall keep an accurate record of all receipts and disbursements. The secretary-treasurer shall provide to all members of the Service's Board of Directors a monthly statement of all accounts and financial affairs for the Service and shall have charge of the corporate seal and affix the name to all documents properly requiring such seal.
- E. The Board of Directors of the Service 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 of Directors shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of the Service for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the Association's Board of Directors for approval on a date not less than thirty (30) days prior to the first day of the next fiscal year. Any changes to MLS subscription fees must be approved by the Association's Board of Directors. The Board of Directors of the Service shall employ such executive, legal, and office personnel it deems necessary to care for and maintain the properties of the Service and otherwise conduct the administrative business of the Service. The Board of Directors of the Service shall have the right to make an audit of all books and accounts at any time without notice, but shall also, no less than annually and prior to June 1 of each year, require that an audit of the Service's books and accounts be completed. The Service's Board of Directors 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 Association's Board of Directors. Except as otherwise provided in these bylaws and rules and regulations, the action of the Service's Board of Directors shall be final.

Article 6.6 Removal of Officers and Directors. In the event that an officer or director of the Service is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the officer or director may be removed from office under the following procedure:

- A. A special meeting of the Board of Directors of the Service shall be called with notice provided at least ten (10) days in advance that the removal of an officer or director shall be considered by the Board. The meeting shall be conducted by the president of the MLS unless the president's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting. Provided a quorum is present, a three-fourths vote of present directors shall be required for removal from office.
- B. Any vote taken by the MLS Board to remove an officer or director must ultimately be confirmed by a majority vote of the directors of the Association. Notwithstanding the foregoing, the Association may, at any time, remove an officer or director of the MLS by a majority vote of the directors of the Association.

C. Except as otherwise specified in paragraph 6.3 C., vacancies in office of any of the MLS's officers or directors shall be filled by a majority vote of the Association's Board of Directors. (01/2015)

No more than one (1) members from any firm may serve as a voting member of the Board of Directors unless the 2nd is the current SAR President. (01/2015)

ARTICLE 7. MEETINGS

Article 7 Annual Meeting. The annual meeting of participants of the service shall be held each year at a time and place specified by the Sunflower MLS, Inc., Board of Directors.

Article 7.1 Meetings 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 three (3) members of the Board of Directors. A simple majority of the 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. All meetings of the Board of Directors are to be held in Shawnee County, except nothing herein shall prevent meetings through electronic means through telephone, video or similar electronic communication. (01/2015)

Article 7.2 Presiding Officer. At all meetings of the Board of Directors, 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 of Directors of the Service shall appoint a temporary chairperson.

ARTICLE 8. COMMITTEES

The president, with the approval of the Board of Directors, shall create such standing or Ad Hoc Committees as the president deems desirable and shall appoint their members. Each committee shall consist of not less than two (2) participants in the Service but may also include REALTORS® employed by or affiliated as independent contractors with a REALTOR® participant serving as representative(s) of said REALTOR® participants and with their consent, and who may serve as either a chairperson or a member of a committee.

ARTICLE 9. FISCAL YEAR

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

ARTICLE 10. AMENDMENTS

Article 10.1 Amendments to Bylaws. Amendments to these bylaws shall be made by the Board of Directors of the Service. Amendments to the bylaws of the Service shall further be subject to approval of the Board of Directors of the Topeka Area Association of REALTORS®.

When amendments to the bylaws of the Service have been approved by the Board of Directors of the Association, said amendments shall be effective immediately or as stated in the amending resolution. If the proposed amendments to the bylaws of the Service fail approval of the Board of Directors of the Association, the Board of Directors of the Service shall be informed and advised that the proposed amendment or amendments to the bylaws be further considered and resubmitted to the Association's Board of Directors.

Article 10.2 Amendments to Rules and Regulations. Amendments to the rules and regulations of the Service shall be by consideration and approval of the Board of Directors of the Service, subject to final approval by the Board of Directors of the Stockholder.

When approved by the Board of Directors of the Association as described, the amendments to the rules

and regulations of the Service shall be effective immediately or as stated in the amending resolution.

If the proposed amendments of the Service's rules and regulations fail approval by the Board of Directors of the Association, the Board of Directors of the Service shall be informed and advised that the proposed amendment or amendments must be further considered and resubmitted by the Board of Directors of the Service to the Board of Directors of the Association.

ARTICLE 11. DISSOLUTION

In the event this 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 the Board of Directors of Topeka Area Association of REALTORS®, Inc. 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, Topeka Area Association of REALTORS®, Inc.

Adopted: August 1, 1980

Amended: May 18, 1982; August 14, 1984; November 19, 1985; October 1, 1986; October 15, 1987; May 16, 1991; April 16, 1992; January 1, 1993; September 21, 1995; September 18, 1997; September 25, 2003; February 2009; December 2011; August 8, 2012; October 17, 2012; January 2015, February 2017, December 2018