

**ARTICLES OF INCORPORATION OF CONNECTICUT MULTIPLE LISTING SERVICE, INC.**

**A CONNECTICUT NONSTOCK CORPORATION**

The undersigned, for the purpose of forming a nonprofit corporation under Chapter 602 of the laws of the State of Connecticut, do hereby make and adopt the following Articles of Incorporation:

Article 1

**NAME**

The name of the Corporation is: **CONNECTICUT MULTIPLE LISTING SERVICE, INC.**

Article 2

**NOT FOR PROFIT**

The Corporation is a nonstock corporation. The Corporation is not formed for pecuniary profit. No part of the income or assets of the Corporation is distributable to or for the benefit of its Members, Directors or Officers, except as set forth in these Articles and the Bylaws but only to the extent permissible under law.

Article 3

**DURATION**

The duration of the Corporation is perpetual.

Article 4

**PURPOSES**

(1) The Corporation is organized, and shall be operated exclusively for, the following purposes:

- A. To create a facility by which participants who are real estate brokers licensed to engage in the real estate business in Connecticut may make offers of cooperation and compensation to one another.
- B. To protect the property data entrusted to it by participants and their clients from uses that are illegal or not in the best interests of participants and their clients.
- C. To exercise all rights and powers conferred by the laws of the State of Connecticut upon nonprofit corporations, consistent with these Articles and the Bylaws, including without limiting the generality of the foregoing, to acquire by bequest, devise, gift, purchase, lease or otherwise any property of any sort or nature without limitation as to its amount or value, and to hold, invest, reinvest, manage, use, apply, employ, sell, expend, disburse, lease, mortgage, convey, option, donate or otherwise dispose of such property and the income, principal and proceeds of such property, for any of the purposes set forth herein.

D. Subject to any limitations in state or federal law or these Articles, to do such other things as are incidental to the purposes of the Corporation or necessary or desirable in order to accomplish them. The Corporation shall also conform its governing documents, rules, regulations, and policies, practices, and procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

E. To operate a Multiple Listing Service which shall be a means by which authorized Participants make blanket unilateral offers of compensation to other Participants acting as buyer agents (or in other agency or non-agency capacities to whom such offers are permitted 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 among the Participants so the 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 (or lease).

(2) Notwithstanding any other provision of these Articles, the Corporation may not engage, directly or indirectly, in lobbying, political fundraising or other activities to influence legislation, elections, regulation or the activities of any government department, agency or political subdivision unless the Corporation does so at the request of and in cooperation or in conjunction with the National Association of REALTORS® or the Connecticut Association of REALTORS® Inc.

## Article 5

### LIMITATION

No part of the net earnings of the Corporation shall be distributable to its Members, Directors or Officers, but the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 4 (Purposes) hereof.

## Article 6

### MEMBERS

Section 1. Membership Classes. The Corporation shall have three classes of Members: a Sponsoring Member, Voting Members and Non-Voting Members.

(a) One (1) Sponsoring Member which shall be the Connecticut Association of Realtors®, Inc.

(b) Voting Members shall be Participants who are members in good standing of a local, state and National Association of Realtors® in accordance with the membership policies of the National Association of Realtors®, who are engaging in the real estate business

and who are capable of making offers of cooperation and compensation to other Members.

(c) Non-voting Members shall be Subscribers who are licensees and are affiliated with a Voting Member. Non-voting Members shall not have the right to vote.

(d) Failure on the part of any Voting Member to keep in good standing with a local, state and National Association of Realtors® shall be sufficient cause for the immediate termination of membership.

(e) Failure of a Non-Voting Member to maintain an affiliation with a Voting Member shall cause the immediate termination of the Non-Voting Member's membership.

(f) For purposes of these Articles, the following definitions shall apply:

1. **Participant.** A Participant is any Realtor® member of the Connecticut Association of Realtors® or any other Association of Realtors® 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 Articles, who has agreed in writing to conform to the rules and regulations of any service provided by this Corporation and who pays the costs, fees or assessments incidental thereto. No individual or firm is entitled to "membership" or "participation" unless they hold a current, valid Connecticut real estate broker's license and are capable of accepting and offering 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 this corporation is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. No Firm may have more than one (1) Participant.

2. **Subscriber:** A Subscriber (or user) includes non-principal brokers, sales associates, and licensed and certified appraisers affiliated with a Voting Member. 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 a Participant or the Participant's licensed designee.

3. **Firm:** a Firm is any form of partnership, a corporation, limited liability company, other legal entity or sole proprietorship that owns or operates an office or offices engaging in the real estate business and organized under the same management. A "Firm" does not include independently owned franchisees of a franchisor even if the franchisor owns or operates an office or offices engaging in the real estate business under the same or a similar name.

(g) No corporation, partnership, limited liability company or other entity, foreign or domestic, except the Sponsoring Member named above, may become a member of the Corporation

## Article 7

### BOARD OF DIRECTORS

(a) The management of the Corporation shall be vested in a Board of Directors. The number of Directors constituting the initial Board of Directors is seventeen (17). The number of Directors may not be increased or decreased. The Directors shall qualify and be elected as set forth in the Bylaws. The Bylaws may provide for ex officio and honorary Directors and their rights and privileges.

(b) The personal liability of a Director of this Corporation to the Corporation or its members for monetary damages for breach of duty as a Director shall be limited to an amount equal to the compensation received by the Director for serving the Corporation during the year of the violation if such breach did not (A) involve a knowing and culpable violation of law by the Director, (B) enable the Director or an associate, as defined in subdivision (3) of Section 33-374d of the Connecticut General Statutes, as in effect at the time of the violation, to receive an improper personal economic gain, (C) show a lack of good faith and a conscious disregard for the duty of the Director to the Corporation under circumstances in which the Director was aware that his conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the Director's duty to the Corporation.

(c) Any repeal or modification of this ARTICLE 7(b) (BOARD OF DIRECTORS) shall not adversely affect any right or protection existing at the time of such repeal or modification.

## Article 8

### OFFICERS

The Officers of the Corporation shall consist of a President, one or more Vice Presidents, Secretary, Treasurer and such other Officers and Assistant Officers as may be provided for in the Bylaws. Each Officer shall be elected by the Board of Directors (and may be removed by the Board of Directors) at such time and in such manner as may be prescribed by the Bylaws.

## Article 9

### BYLAWS

The Bylaws may be altered, amended or rescinded by the Board of Directors upon the affirmative vote of two-thirds (2/3) of all of the Directors following such notice to the Directors and Members as may be required in the Bylaws except where the Bylaws provide that Sponsoring Member is required.

## Article 10

### AMENDMENT AND SPECIAL ACTIONS

(a) The Corporation may amend or repeal any provisions contained in Articles of Incorporation, except as noted below, only upon the affirmative vote of 80% of all of the Directors following such notice to the Directors as may be required in the Bylaws.

The following provisions of the Articles of Incorporation may only be amended upon the approval of the Sponsoring Member: Article 2; Article 4(2); Article 5; Article 6, and Articles 9 through 11.

(b) It shall require the affirmative vote of two-thirds (2/3) of all of the Directors, the affirmative vote of at least two-thirds (2/3) of the Participants present at a meeting of Participants at which a quorum, as defined in the Bylaws, is present and the approval of the Sponsoring Member to approve any plan of merger or plan of dissolution.

(c) No transfer of the assets of the Corporation pursuant to section 33-1165(a)(3) of the General Statutes shall occur, except with the approval of a majority of the Voting Members and the approval of the Sponsoring Member.

## Article 11

### NONSTOCK BASIS

The Corporation is organized and shall be operated on a nonstock basis within the meaning of the Connecticut Nonstock Corporation Act, and shall not have the power to issue shares of any type or class of stock or other certificates or writings evidencing an ownership or proprietary interest in the Corporation.

## Article 12

### INDEMNIFICATION

The Corporation shall indemnify each Director, including former Directors, for liability, as defined in subdivision (5) of section 33-1116 of the Connecticut General Statutes, to any person for any action taken, or any failure to take any action, as a director, except liability that (A) involved a knowing and culpable violation of law by the director, (B) enabled the director or an associate, as defined in section 33-840 of the Connecticut General Statutes, to receive an improper personal gain, (C) showed a lack of good faith and a conscious disregard for the duty of the director to the corporation under circumstances in which the director was aware that his conduct or omission created an unjustifiable risk of serious injury to the corporation, or (D) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the director's duty to the corporation, provided no such provision shall affect the indemnification of or advance of expenses to a director for any liability stemming from acts or omissions occurring prior to the effective date of such provision.

Article 13

DISSOLUTION

In the event of dissolution of the Corporation, all assets remaining after payment or provision for debts and liabilities shall be distributed in the order set forth in Section 33-1176 of the Connecticut General Statutes as may be amended from time to time.

Article 14

INCORPORATORS

The name and address of each Incorporator is as follows:

Article 15

REGISTERED OFFICE AND STATUTORY AGENT FOR SERVICE

The street address of the initial Registered Office of the Corporation is: Suite 1101, 111 Founders Plaza, East Hartford, CT 06108.

The Statutory Agent for Service of Process is:

Connecticut Association of Realtors®, Inc.,

The street address for the statutory agent for service of process is:

Suite 1101, 111 Founders Plaza, East Hartford, CT 06108

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

Appointment as the statutory agent for service of process is hereby accepted:

Connecticut Association of Realtors®, Inc.

\_\_\_\_\_  
By: Its Executive Vice President

In Witness Whereof, the undersigned have signed these Articles of Incorporation on this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Incorporator

\_\_\_\_\_  
Incorporator

\_\_\_\_\_  
Incorporator

ACCEPTANCE BY STATUTORY AGENT FOR SERVICE OF PROCESS

The undersigned hereby accepts the appointment as Statutory Agent for Service of Process of \_\_\_\_\_, which is contained in the foregoing Articles of Incorporation.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Statutory Agent for Service of Process