

Jackson Area Association of REALTORS®

BYLAWS

ARTICLE I - NAME

Section 1. Name.

The name of this organization shall be the Jackson Area Association of REALTORS®, hereafter referred to as the "Association".

Section 2. REALTORS®.

Inclusion and retention of the Registered Collective Mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II - OBJECTIVES

The objectives of the Association are:

Section 1.

To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

Section 2.

To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3.

To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 4.

To further the interest of home and other real property ownership.

Section 5.

To unite those engaged in the real estate profession in this community with the Michigan REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the State and nation, and obtaining the benefits and privileges of membership therein.

Section 6.

To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III - JURISDICTION

Section 1. Territorial Jurisdiction.

The territorial jurisdiction of the Association, as a member of The NATIONAL ASSOCIATION OF REALTORS® consists of the City and County of Jackson, Michigan and the Townships of Stockbridge, Leslie, Bunkerhill and Onondaga of Ingham County, Michigan.

Section 2. Territorial Jurisdiction is defined to mean:

The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms.

ARTICLE IV - MEMBERSHIP

Section 1.

There shall be ten classes of Membership as follows:

(a) REALTOR® Members. REALTOR® Members, whether primary or secondary, shall be:

Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Michigan or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Board/Association of REALTORS® within the State or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV.

Individuals who are engaged in the real estate profession, other than as sole proprietors, partners or corporate officers or branch office managers and are associated with a REALTOR® member and meet the qualifications set out in Article V.

Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) EXCEPT: obligations related to Board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; the right to hold elective office in the local Board, State Association and National Association.

- (b) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership subject to payment of applicable dues for such membership.
- (c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms, while not engaged in the real estate profession as defined in paragraph (a) or (b) of this Section, have interests requiring information concerning real estate and are in sympathy with the objectives of the Association.
- (d) Public Service Members. Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.
- (e) Primary and Secondary REALTOR® Members. An individual is a primary member if the Board/Association pays State and National dues based on such Member. An individual is a secondary Member if State and National dues are remitted through another Board/Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Board/ Association in order for licensees affiliated with the firm to select the Board/Association as their "primary" Board/Association.
- (f) Designated REALTOR® Members. Each firm shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Board/Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.
- (g) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.

- (h) Student Members. Student Members shall be individuals who hold an active Michigan real estate license and have achieved a junior or senior status at an institution of higher learning, and who are currently enrolled as a full-time student (the student must show proof of full-time status upon application with the Association). The student cannot be engaged in the real estate profession on their own account and not associated with an established real estate office prior to application. The student membership shall only be granted for a six month period and only once.
- (i) Senior Members. Senior Members shall be individuals who are retired from the real estate business and no longer hold an active real estate license and who shall have held Active or Lifetime membership in the Association for at least five (5) years preceding retirement. In deciding whether to grant this classification of membership, for which written application must be made, the Board of Directors may also consider past service to the Association.
- (j) Lifetime Member. Lifetime Members shall be Active Members of the Jackson Area Association of REALTORS® who have held membership in the Jackson Area Association of REALTORS® as a REALTOR®, REALTOR®-ASSOCIATE, or a combination of both, for a consecutive period of 40 years. This classification shall be a matter of right, but application shall be made by the member. When any Lifetime Member shall no longer hold an active Michigan real estate license, they shall automatically be transferred to Senior Membership effective the first of the next year after becoming unlicensed.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application.

- (a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant that (1) applicant agrees, as a condition to membership, to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitution, Bylaws and the Rules and Regulations of the Association, the State and National Associations and, if elected a Member, will abide by Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and, if a REALTOR®, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended, and that (2) applicant consents that the Association, through its Membership Committee or otherwise, may invite and receive information and comments about applicant from any member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification.

- (a) An applicant for REALTOR® Membership, who is a sole proprietor, partner, corporate officer of a real estate firm, or branch manager shall supply evidence satisfactory to the Membership Committee that applicant is actively engaged in the real estate profession and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate State regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), was no record of recent or pending bankruptcy* and agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall agree that, if elected to membership, applicant will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

*No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Board establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Board and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

NOTE: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® or REALTOR® - ASSOCIATE membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics.

- (b) Individuals who are engaged in the real estate profession, other than as principals, partners, corporate officers, or branch managers, in order to qualify for REALTOR® membership, shall at the time of application be associated either as an employee or as an independent contractors with a Designated REALTOR® Member of this Association or a Designated REALTOR® Member of another Board/Association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®; and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Membership Committee and shall agree in writing that, if elected to membership, applicant will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and by the Constitution, Bylaws, Rules and Regulations of the local Association, the State Association, and the National Association.

- (c) The Association will also consider the following in determining an applicant's qualifications for REALTOR[®] membership:
1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years
 2. Pending ethics complaints (or hearings)
 3. Unsatisfied discipline pending (except for violations of the Code of Ethics; See Article V, Section 2 (a) Note 2)
 4. Pending arbitration requests (or hearings)
 5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS
 6. Any misuse of the term REALTOR[®] or REALTORS[®] in the name of the applicant's firm.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership had unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V Section 2 (a) NOTE 2) provided all other qualifications for membership have been satisfied). Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS[®] and shall be subject to all of the same privileges and obligations of REALTOR[®] membership.

If a member resigns from another association with an ethic complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. Election.

The procedure for election to membership shall be as follows:

- (a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR[®] membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS[®] and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the board of directors.
- (b) If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 90 days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee. The board of directors shall vote on the applicant's eligibility for membership. If the

applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.

- (c) The board of directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the board of directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The board of directors may also have counsel present. The board of directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.
- (d) If the board of directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for declaratory judgment by a court of competent jurisdiction of a final judgement declaring that the rejection violates no rights of the applicant (Adopted 1/98, Amended 1/05)

Section 4. New member Code of Ethics orientation

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less.

Failure to satisfy this requirement within 90 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

Section 5. Continuing Member Code of Ethics Training.

Effective January 1, 2017, through December 31, 2018, and for successive two year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the Michigan REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any two (2) year cycle shall not be required to complete additional ethics training until a new two (2) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a

membership duty. Failure to meet the requirement in any two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, Amended 11/08, Amended 11/16)

Section 6. Status Changes

- (a) A REALTOR[®] who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within 30 days. A REALTOR[®] (non-principal) who becomes a principal in the firm with which he/she has been licensed or alternatively becomes a principal in a new firm which will be comprised of REALTOR[®] principals, may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR[®] (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR[®] (principal). If the REALTOR[®] (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which he/she has transferred within 30 days of the date he/she advised the Association of his/her change in status, his/her new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

Section 1. General.

The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article.

Section 2. Discipline.

Any Member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws after a hearing as provided in the NAR Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS[®], are not subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®] and conduct their business and professional practices accordingly. Further, Members, other than REALTORS[®], may, upon recommendation of the Membership Committee or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above for any conduct which, in the opinion of the Board of Directors applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR[®] or REALTORS[®] and the real estate industry or for conduct that is inconsistent with, or adverse to, the objectives and purposes of the local Association, the State Association and the NATIONAL ASSOCIATION OF REALTORS[®].

Section 3. Discipline of the Hearing.

Any REALTOR[®] Member of the Association may be disciplined by the Board of Directors for

violations of the Code of Ethics or other duties of membership after a hearing as described in the Code of Ethics and Arbitration Manual of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 4. Resignations of Members.

Resignations of Members shall become effective when received in writing by the Board of Directors, provided however, that, if any Member submitting the resignation is indebted to the Association for dues, fees, fines or other assessments of the Association or any of its services, departments, divisions or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. Reapplication Criteria after Resignation.

If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to the disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

- (a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.
(Amended 1/00 and 11/11)

Section 6. REALTOR® Members.

- (a) REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association and vote orally, in writing, or by electronic transmission.
- (b) Use of Terms. REALTOR® Members, whether primary or secondary, may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII;
- (c) Responsibilities. REALTOR® Members, whether primary or secondary, have the primary responsibility to safeguard and promote the standards, interests and welfare of the Association and the real estate profession.
- (d) Suspension of Members. If a REALTOR® Member is a principal in a firm, partnership or corporation and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the

period of suspension or until readmission to REALTOR® Membership or unless connection with the firm, partnership or corporation is severed, whichever may apply. The membership of all other principals, partners or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership or corporation is severed whichever may apply. Further, the membership of REALTORS®, other than principals who are employed by or affiliated as independent contractors with the disciplined Member, shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member who is other than a principal in a firm, partnership or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.

- (e) **Notice.** In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(d) hereof, notice of such action shall be given by first - class mail or by email to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(d) shall apply.

Section 7. Institute Affiliate Members.

Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: Local Associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR®-ASSOCIATE, or the REALTOR® logo; to serve as President of the local association; or to be a Participant in the local association's Multiple Listing Service.

Section 8. Affiliate Members.

Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 9. Public Service Members.

Public Service Members shall have rights and privileges and be subject to obligations as prescribed by the Board of Directors.

Section 10. Honorary Members.

Honorary Membership shall confer only the right to attend meetings and participate in discussions.

Section 11. Student Members.

Student Members shall have rights and privileges and shall be subject to obligations prescribed by the Board of Directors.

Section 12. Certification by REALTOR®.

"Designated" REALTOR® Members of the Association shall certify to the Association no later than September 1st of each year on a form provided by the Association a complete listing of individuals licensed or certified with the "Designated" REALTOR®'s firm(s) within the State, and shall designate a primary Board/Association for each individual. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. Designated REALTORS® shall identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another Board based on said non – member licensees, the Designated REALTOR® shall identify the Board to which dues have been remitted. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of the individual.

Section 13. Harassment.

Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or association officer or director after an investigation in accordance with the procedures of the association. 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 president-elect and/or 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. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the president, president-elect 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.

NOTE: Suggested procedures for processing complaints of harassment are available on line at <http://www.REALTOR.org>, or from the Member Policy Department. (Amended 5/08)

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. Code of Ethics and Arbitration.

The responsibility of the Association and the Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes and the organization and procedures incident thereto, shall be governed by the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as amended from time to time, which is by reference incorporated into these bylaws, provided, however, that any provision deemed inconsistent with State law shall be deleted or amended to comply with State law.

Section 2. Duties and Responsibilities of Members.

It shall be the duty and responsibility of every REALTOR® Member of this Association to abide

by the Constitution and Bylaws and Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®; and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.

Section 3. Professional Standards and Arbitration

The responsibility of the Board and Board members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Board, which by this reference is made a part of these Bylaws.

ARTICLE VIII - USE OF THE TERMS REALTOR® AND REALTORS®

Section 1. Use of the Terms.

Use of the terms REALTOR® and REALTORS® by Members shall at all times be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual. (Amended 08/2008)

Section 2. Use of Terms in Connection With Business.

REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® or REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.

Section 3. Principal's Use of Terms.

A REALTOR® Member, who is a principal of a real estate firm, partnership or corporation, may use the terms REALTOR® or REALTORS® only if all of the principals of such firm, partnership or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto, are REALTOR® members of an association/board or Institute Affiliate Members as described in Section 1(b) of Article IV.

In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 4. Institute Affiliate Members.

Institute Affiliate Members shall not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1. Membership in State and National Association.

The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and of the Michigan REALTORS®. By reason of such membership each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Michigan REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations unless, by a majority vote of all of its REALTOR® Members, a decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. Exclusive Property Rights NATIONAL ASSOCIATION OF REALTORS®.

The Association recognizes the exclusive property right of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. It shall forthwith discontinue use of the terms in any form in its name upon ceasing to be a member of the National Association or upon a determination of the Board of Directors of the National Association that this Association has violated the conditions imposed upon the terms.

Section 3. Adoption of Code.

The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations and policies of the NATIONAL ASSOCIATION OF REALTORS® and the Michigan REALTORS®.

ARTICLE X - DUES AND ASSESSMENTS

Section 1. Application and Transfer Fees.

The Board of Directors may adopt a reasonable application fee for REALTOR® Membership, not exceeding three times the amount of the annual dues for REALTOR® Membership, which fee shall accompany each application for REALTOR® Membership. The fee shall become the property of the Association upon final approval of the application.

If any REALTOR® Member transfers from one Firm, Partnership or Corporation to another, the REALTOR® Member shall notify the Association office that his/her REALTOR® Membership should be transferred to the new office. A transfer fee shall be established by the Board of Directors.

Section 2. Association Dues Remittance.

The annual dues for each Member Board/Association, in Article II of the MAR Bylaws, shall be in an amount equal to the number of REALTOR® Members of the Board/Association times the Association's annual dues, plus an amount equal to the number of real estate licensees and State certified real estate appraisers, State licensed real estate appraisers, and real estate valuation specialists employed by or affiliated as independent contractors with REALTOR® Members of the Board/Association times the Association's annual dues, plus an amount equal to the number of Affiliates of the Board/Association who elect to hold membership in this Association times the Association's annual dues.

Section 3. Dues for REALTOR® Members.

- (a) The annual dues of each "Designated" REALTOR® Member shall be in such an amount as established annually by the Board of Directors, plus an amount to be established annually by the Board of Directors times the number of real estate salespersons and State certified real estate appraisers, State licensed real estate appraisers, and real estate valuation specialists who (1) are employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed with such REALTOR® Member; and who (2) are not themselves REALTOR® Members of any Board/Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Board/Association by a Designated REALTOR® Member, non-member licensees, as defined in Section 2(a)(1) and (2) of this Article, shall not be included in the computation of dues if the DR has paid dues based on said non-member licensees in another Board/Association in the state, or a state contiguous thereto, provided the Designated REALTOR® notifies the Board/Association in writing of the identity of the Board/Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non – member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership and any other offices of the firm located within the jurisdiction of this board.
- (b) The annual dues of each REALTOR® Members, other than the Designated REALTOR®, sole proprietor, partner or corporate officer, shall be an amount determined annually by the Board of Directors.
- (1) For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer or branch manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section I, of the constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner or corporate officer of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for

consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® or REALTOR®-ASSOCIATE membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR®-ASSOCIATE membership during the preceding calendar year.

- (c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$105). The National Association shall credit \$35 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$35 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$35 to the account of the state association for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 11/2013)

- (d) Dues Increase State and National. If MR and NAR have a dues increase after the billing date, the increase will be passed onto the Membership. Dues will be collected using the same manner and provisions as the collection of dues in the normal billing cycle.
- (e) Other Classes of Membership. For and excluding Institute Affiliate Members other classes of membership described in Article IV, including REALTOR® Members described in Section 1(a) (2) of Article IV the dues of each Member shall be in an amount established annually by the Board of Directors.

Section 4. Dues Payable.

All dues shall be payable in advance by the first day of the month following the billing date. Any member not paying financial obligations by the first day of the month following the billing date shall automatically be assessed a 10% late charge upon the balance due. The 10% late charge shall be assessed each month, shall not compound and shall not be assessed in excess of two (2) months. For any new Members, total dues shall be prorated as of the first day of the month in which a member is notified of election. There shall be no refunds made of

Dues and/or Fees after a member has been notified of election.

If a licensee chooses to join the Association, licensee's local dues will be prorated on a monthly basis, as of the month licensee completes Orientation and is approved for membership. Licensee must take Orientation at the next available Orientation Class or provide a reason to the Orientation Chairman as to why licensee will not be available. Failure to do so will result in the denial of licensee's membership application and the DR will be billed for non-member assessment.

In the event a sales licensee who holds REALTOR® membership is dropped for nonpayment of Association dues and the licensee remains with the designated REALTOR®'s firm, the dues obligation of the "designated" REALTOR® (as set forth in Article X, Section 2, a) will be increased to reflect the addition of a non-Member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 5. Nonpayment of Financial Obligations.

If dues, fees, fines or other assessments including amounts owed to the Association or the Association's Multiple Listing Service, are not paid by the due date, the nonpaying Member is suspended at the discretion of the Board of Directors. One (1) month after the due date, membership of the nonpaying Member will be terminated. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his/her membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership after making payment in full of all accounts due as of the date of termination.

Section 6. Notice of Dues, Fees, Fines, Assessments or Other Financial Obligations of Members.

All dues, fees, fines, assessments or other financial obligations due to the Association or Association's Multiple Listing Service shall be noticed by first - class mail or by email to the delinquent REALTOR® Member in writing, setting forth the amount owed and due date.

Section 7. The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the board of directors. (Amended 11/2013)

NOTE: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the association is assessed for a REALTOR® member, times the number of REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® members of the association. The dues obligation of such individuals to the local association should be reduced to reflect the reduction in the association's dues obligation to the National Association. The association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the association's obligation to the State Association with respect to such individuals. Member Boards should determine whether the dues payable by the association to the State Association are reduced with respect to such individuals. It should be noted that this

does not affect a "designated" REALTOR®'s dues obligation to the association with respect to those licensees employed by or affiliated with the "designated" REALTOR® who are not members of the local association. (Amended 11/2013)

ARTICLE XI ADMINISTRATION AND ELECTIONS

Section 1. Administration.

The Administration of the Association shall be vested in a Board of Directors and in the following officers: President, President-elect and Secretary-Treasurer. The Board of Directors shall be the governing body of the Association and shall determine all matters of policy which are not reserved by the Bylaws for determination by the General Membership.

Section 2. Board of Directors

- (a) Board of Directors. The Board of Directors shall consist of eleven (11) REALTOR® members and one (1) Affiliate Member Representative. All active members of the Association in good standing shall be eligible for election to the Association. The Association shall have general supervision, jurisdiction and management of all matters concerning the functions of the Association and shall control all the business, property and finances of the Association.
- (b) Nominations. At least two months before the annual election, a nominating committee of five (5) REALTOR® Members and one (1) Affiliate Member Representative shall be appointed by the President with the approval of the Board of Directors. The immediate Past President, if available, shall serve as chairman of the nominating committee. The nominating committee shall select at least one candidate for each vacancy to be filled on the Board of Directors. The report of the nominating committee shall be forwarded by email with return receipt or by regular first class mail to each REALTOR® Member at least three (3) weeks preceding the election. Additional candidates for the vacancies to be filled may be placed in nomination by a Petition signed by at least ten (10) percent of the REALTOR® Members.

The petition shall be filed with the Executive Vice President at least two weeks before the election. The Executive Vice President shall send notice by email with return receipt or by regular first class mail of such additional nominations to all REALTOR® Members before the election.

- (c) Elections. From the nominees the REALTOR® Members shall elect one director for each vacancy. REALTOR® members shall vote for REALTOR® and Affiliate Member Representative candidates. Affiliate members shall vote for Affiliate Member Representative candidates only. The nominees with the highest number of votes shall be deemed elected. The term of office for a REALTOR® member shall be for a period of three (3) years and for an Affiliate Member Representative shall be for a period of two (2) years. No REALTOR® member Director shall be eligible to serve more than two consecutive terms and shall not be appointed to fill a vacancy on the Association for a period of six months after his/her term expires. Affiliate Member Representative Directors are not eligible to hold office or to serve successive terms, but they shall have full voting privileges on the Board of Directors. The first Affiliate Member Representative to serve on

the Board of Directors shall be appointed by the Board of Directors for a one year term beginning in 1996. The first Affiliate Member Representative Director election will be for the 1997-98 term.

- (d) Annual election date. The election of Directors shall be held concurrently with a general membership meeting on a date established by the Board of Directors. The Board of Directors shall establish the procedure of voting in one of the following ways: (1) Voting at a meeting, (2) Voting by secret ballot at the Association office during normal business hours, (3) Voting by absentee ballot, or (4) Voting by electronic means, including email. Notice of the election shall include a list of nominees for Directors and shall specify the procedure and date or dates on which each REALTOR[®] Member shall be entitled to cast his/her ballot during normal business hours. REALTOR[®] Members may also vote by electronic means, including email, following procedures established by the Board of Directors.
- (e) Judges of election. The judges of the election shall be the nominating committee.
- (f) Voting at annual election. At the annual election votes shall be cast only for individuals appearing on the ballot. The vote shall be by secret ballot and vote counts shall not be announced to REALTOR[®] members or candidates. Ballots shall be destroyed by the Association within 48 hours after the election.
- (g) Tie Vote. In case of a tie vote for the last vacancy, the selection among those tied shall be made by lot under the direction of the judges in charge of the election.
- (h) Absentee Ballot. Any REALTOR[®] Member of the Association entitled to vote at any election may cast a vote by Absentee Ballot if such ballot vote is accompanied by an affidavit that the REALTOR[®] Member is confined on account of illness or is absent or will be absent from the community on the date of the election.
- (i) Vacancies. Board of Director vacancies, by resignation or otherwise, shall be filled by the Board of Directors until the next general election of the REALTOR[®] Members, at which time the membership shall elect a Director or Directors for the remainder of any unexpired term or terms.

Section 3. Officers.

- (a) President. The President shall preside at all Board of Directors' meetings and all meetings of the Association unless otherwise determined by a majority vote of the members present at any such meeting.

The President shall have authority to sign, execute and acknowledge on behalf of the corporation all deeds, mortgages, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the Association's regular business or those which shall be authorized by resolution of the Board of Directors; and, except as otherwise provided by law or the Board of Directors, the President may authorize the President-elect or other officer or agent of the Association to sign, execute and acknowledge such documents or instruments in his/her place and stead. In general, the President 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 including appointment of members to the various committees specified in Article XIII with the

concurrence of the Board of Directors.

- (b) President-elect. If the office of the President shall become vacant by death, resignation, refusal to serve or otherwise; or if the President is unable to perform his duties, the President's duties shall be performed by the President-elect until the next regularly elected President shall take office. The President-elect shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.
- (c) Executive Vice President. The Board of Directors shall select and employ a competent, experienced Executive Vice President who shall be its executive representative in the management of the Association. The Executive Vice President may also be the Jackson Multiple Listing Service Executive Vice President and shall be given the necessary authority and support to carry out the Association's policies and orders. The Executive Vice President shall be held responsible for the administration of the Association in all its activities and committees, subject only to policies as may be adopted and orders issued by the Board of Directors and such contractual arrangements which exist between the Association and the Executive Vice President. The Executive Vice President shall act as the duly authorized representative of the Board of Directors in all matters in which the Board of Directors has not formerly designated some other person for that specific purpose. The Executive Vice President shall not be a member of the Board of Directors.

The Executive Committee and Executive Vice President shall be responsible for the long-range planning of the Association. The Executive Vice President shall be responsible for management of the Association's operations and shall be accountable only to the Association's Board of Directors, except to the extent that he or she is accountable to the JMLS.

The Executive Vice President shall attend all meetings of the Association and report to the Board of Directors in the areas of the Executive Vice President's authority and responsibility. The Executive Vice President shall attend, and have access to, as many committee meetings as is necessary and reasonably possible. The Executive Vice President shall keep and be responsible for the minutes and records of the JMLS Board of Directors and Executive Committee meetings which shall be submitted and reviewed by the Association's Board of Directors.

- (d) Secretary-Treasurer. The Secretary-Treasurer of the Association, or other designee, shall keep minutes of all the meetings of the Board of Directors and shall have charge of such other books and papers as the Board of Directors shall direct. The Secretary-Treasurer shall deliver to the President a copy of the minutes of all meetings of the Board of Directors and shall attend to the giving and receiving of all notices of the Association and Board of Directors. In addition, the Secretary-Treasurer shall be the custodian of the Association's funds and investments and shall keep an accurate record of all receipts and disbursements. He or she shall provide the Board of Directors with a monthly Statement of Association accounts and financial affairs.
- (e) Duties of the Executive Committee. The duties of the Officers shall also include such as their titles by general use would indicate, and such as may be assigned to them by the Board of Directors. The President, President-elect and Secretary-Treasurer shall be the Executive Committee of the Board of Directors without appointment.

The Executive Committee of the Board of Directors, during the intervals between meetings of the Board of Directors, shall have and may exercise, in such manner as it

shall deem to be in the best interests of the Association subject to limitations set forth in these bylaws and any limitations otherwise imposed by the Board of Directors, all of the powers of the Board of Directors not inconsistent with such specific directions as to the conduct of the Association affairs as shall have been given by the Board of Directors. All Executive Committee actions shall be reported at the next regularly scheduled meeting of the Board of Directors.

The Executive Committee, may at its discretion, suggest a slate of officers for election. Any member of the Executive Committee whose terms expires at the end of the current year is not eligible to vote on the slate.

- (f) Election. All Officers shall be elected by the Association's Board of Directors each year on or before October 31st at a special organizational meeting of the existing and newly constituted Board of Directors. The President in office at the time of the meeting shall open the meeting. The member holding the President-elect office will automatically progress into the President office for the following year. If the President-elect is elected in his/her third director-term year, the term shall automatically be extended for one year. The President-elect will then take over the meeting. Directors whose terms expire at the end of the current year are not eligible for nomination and are not eligible to vote.
- (g) Vacancies. Vacancies among the officers shall be filled by a simple majority vote of the Directors to serve until the next annual election.
- (h) Retiring President. The retiring President shall be a member of the Board of Directors and entitled to vote. If the retiring President's term is expiring, such term shall be extended until such time as the retiring President shall no longer be Immediate Past President. During this time, the Board of Directors shall consist of thirteen (13) members rather than twelve (12). The Immediate Past President whose term is extended as provided in this section shall not be eligible for any office of the Association.
- (i) Bonds. Pursuant to resolution of the Board of Directors, all officers, including the Executive Vice President and designated employees, shall be covered by a surety bond in an amount established by the Board of Directors. The expense of the bond shall be paid by the Association.

Section 4. Contracts, Loans, Checks, Deposits, and Corporate Acts.

- (a) Contracts. By resolution, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument; or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances but the appointment of any such person, other than an officer to acknowledge an instrument required by law to be acknowledged, shall be made by instrument in writing. When the Board of Directors authorizes the execution of a contract or of any other instrument in the name of and on behalf of the corporation, without specifying the executing officers, the President or President-elect and the Secretary-Treasurer may execute the same and may affix the corporate seal thereto.
- (b) Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of

Directors. Such authority may be general or confined to specific instances. No loan or advance to or overdraft or withdrawal by an officer, Director or member of the corporation, other than in the ordinary and usual course of the business of the corporation and on the ordinary and usual terms of payment and security, shall be made or permitted unless each such transaction shall be approved by a vote of two-thirds (2/3) of the members of the Board of Directors excluding any Director involved in such transaction; and a full and detailed Statement of all such transactions and any payments shall be submitted at the next annual meeting and the aggregate amount of such transactions, less any repayments, shall be Stated in the next annual report to members.

- (c) Checks, drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.
- (d) Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.
- (e) Staff. The Board of Directors shall employ such executive, legal and office personnel it deems necessary to administer, protect and maintain the properties of the Association, to assist with finances and to conduct the business of the Association. The Board of Directors shall have the right to authorize an audit of all books and accounts at any time without notice.
- (f) Expenditures. The Board of Directors shall administer the day to day finances of the Association. The Board of Directors has authority to spend the lesser of 50% of the Association's capital or \$15,000 for any purpose consistent with the purposes, operations and functions of the Association. Available capital is defined as all cash on hand regardless of the nature of its deposit or investment, less an amount equal to the budgeted expenses remaining during the calendar year of the Association. The Board of Directors shall, prior to the end of year, prepare and adopt a budget reflecting projected income from all sources and anticipated expenses for the use of the Board of Directors.
- (g) Review of Association Books. Unless determined to be unnecessary by a resolution of the Board of Directors adopted each year, there shall be a review of the books and financial records of the Association, at the close of each fiscal year by an accounting firm selected by the Board of Directors. The accounting firm shall make a report thereof within 90 days of the close of each fiscal year, to the Board of Directors said report may be reviewed by REALTOR® Members upon request.

Section 5. Removal of Officers or Directors.

In the event that an Officer or Director 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 petition, requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors, shall be filed with the President; or if the President is the subject of the petition, it shall be filed with the next-ranking officer and shall specifically set forth the reasons the individual is deemed

disqualified from further service.

- (b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting REALTOR[®] Members shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director and to render a decision on such petition.
- (c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting and shall be conducted by the President 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 of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.
- (d) If in the opinion of two-thirds of the members of the Board of Directors, present and voting, any Director is not serving in the best interest of the Association or is absent without justifiable cause for three or more meetings of the Association's Board of Directors during any one calendar year, the Director may be removed from the Board of Directors. Notice of the Board of Director's Meeting at which such action takes place shall have been given in writing to such Director at least 10 days prior to the date of such meeting, sent first class mail to his or her last known address. The Director shall have the right to speak on his/her own behalf before the Board at that meeting before any final vote is taken on removal. Failure of the Director to attend that meeting shall be deemed to a waiver of that right.

ARTICLE XII - MEETINGS

Section 1. Annual Meetings.

The annual meeting of the Association shall be held during October of each year, the date, place, and hour to be designated by the Board of Directors.

Section 2. Meetings of Directors.

The Board of Directors shall designate regular time and place of meetings. A special meeting may be called by the President or any four (4) members of the Board of Directors, notice of which shall be given by first-class mail or by email at least seven (7) days in advance of the date of such meetings, including a Statement of the business to be conducted at such special meeting. Except when all association members attend or all members confirm or ratify an action, only the business set forth in the notice shall be conducted at the meeting. A quorum for any meeting shall be a majority of the voting members of the Board of Directors. The following rules shall apply to the Board of Directors and the Association:

- (i) Any director shall be deemed to have waived notice of any meeting by attendance at said meeting. At any meeting at which all directors are present, even though without notice or call, any business may be transacted. If all the directors waive notice of any meeting in writing, notice of said meeting shall not be required.
- (ii) A member of the Association or of a committee designated by the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting pursuant to this Subsection constitutes presence in

person at the meeting.

- (iii) Action required or permitted to be taken, pursuant to authorization voted at a meeting of the Association's Board of Directors or a committee thereof may be taken without a meeting if, before or after the action, all members of the Board of Directors or of the committee consent thereto in writing or by electronic transmission, including email. The written consent shall be filed with the minutes of the proceedings of the Board of Directors or committee. The consent has the same effect as a vote of the Board of Directors or of the committee for all purposes.

Section 3. Other Meetings.

Meetings of the REALTOR® Members may be held at other times as the President or the Board of Directors may determine or upon the written request of at least 10% of the Members eligible to vote.

Section 4. Notice of Meetings.

For all meetings of the Association or of the REALTOR® Members, written notice shall be given by first – class mail or by email to each Member entitled to participate in the meeting at least ten (10) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum.

A quorum for the transaction of business shall consist of 10% of the REALTOR® Members eligible to vote.

Section 6. Directors Quorum.

A majority of the Board of Directors shall constitute a Quorum for a Directors meeting.

Section 7. Action without a Member Meeting.

Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if consents in writing or by electronic transmission, setting forth the action taken, are signed and dated by the REALTOR® Members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all REALTOR® Members entitled to vote on the action were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous vote shall be given to members who have not consented in writing.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees.

The President shall appoint from among the REALTOR® Members and Affiliate Members, subject to confirmation by the Board of Directors, the following standing Committees.

- | | | |
|------------------------|------------------|-------------------|
| Education | Membership | Grievance |
| Finance | Social | Building |
| RPAC | Standard Forms | Orientation |
| Professional Standards | Public Relations | Equal Opportunity |

Governmental Affairs

Appointments to the Professional Standard Committee and Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Board.

Affiliate Members may not be appointed to the following committees: Professional Standards, Grievance and any other committees as set forth by the Board of Directors.

Section 2. Special Committees.

The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

Section 3. Organization.

All committees shall be of such size and shall have such duties, functions and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these Bylaws. Each Committee will be assigned a Liaison from the Board of Directors. Committee Liaisons will serve in an advisory capacity, without a vote, and will expedite communication between Directors and the Committee.

Section 4. President.

The President shall be an ex-officio member of all standing committees and shall be notified of their meetings. As an ex-officio member of all committees, the President does not have a vote.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1.

The fiscal and elective year of the Association shall be the calendar year.

ARTICLE XV - RULES OF ORDER

Section 1.

Robert's Rules of Order, latest Edition, shall be recognized as the authority governing the meetings of the Association, its Board of Directors and committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI - AMENDMENTS

Section 1. Amendments to the Bylaws.

These Bylaws may be amended by the majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly Stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 2. Notices.

Notice of all meetings at which amendments are to be considered shall be given by first -class mail or by email to every member eligible to vote at least ten (10) days prior to the meeting.

Section 3. Qualification.

Amendments to these Bylaws affecting the admission or qualification of REALTOR[®] and Institute Affiliate Members, the use of the terms REALTOR[®] and REALTORS[®] or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS[®].

ARTICLE XVII - DISSOLUTION

Section 1. Dissolution.

Upon the dissolution or winding up of the affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Michigan REALTORS[®], or, within its discretion, to any other nonprofit tax exempt organization.

ARTICLE XVIII - MULTIPLE LISTING

Section 1. Authority.

The Association of REALTORS[®] shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the State of Michigan, all the stock of which shall be owned by this Association of REALTORS[®].

Section 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 non-agency capacities 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 data bases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale (or lease).

Section 3. Governing Documents.

The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform 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[®].

Section 4. Participation.

Any REALTOR[®] Member of this or any other Member Board/Association, who is a principal, partner, corporate officer, or branch manager acting on behalf of a principal, without further qualification, shall be eligible to participate in the Multiple Listing 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 "Membership" or "Participation" unless he/she hold(s) a current, valid real estate broker's license and offer or accept cooperation and compensation to and from other Participants, or is/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 an Association's 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 forgoing is intended to convey "Participation", or "Membership" or any Jackson Area Association of right of access to information developed or published by an Association's Multiple Listing Service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and 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. (Adopted 11/08)

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. (Adopted 11/08)

Section 5. Access to Comparable and Statistical Information.

REALTORS[®] who are actively engaged in real estate brokerage, management, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive use of these and

individuals affiliated with Members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations.

REALTORS® who receive such information, whether as an Association service or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

ARTICLE XIX - EDUCATION REQUIREMENTS

Section 1. Orientation Course.

All new applicants shall satisfactorily complete the Association's Orientation program before being admitted as a Member. This program shall be presented at regular intervals as approved by the Board of Directors.

Section 2. Mandatory Educational Requirements.

The Board of Directors may, upon finding that there is a clear and present danger that certain policies and practices of the Association or its Members may result in a significant legal vulnerability and liability to the Association and its Members, require REALTOR® Members to attend every two years educational programs comprising not more than six (6) cumulative hours of instruction on anti-trust laws, agency laws, civil rights laws, or a legal issues update, or the REALTOR® Code of Ethics, its interpretation and meaning and/or the procedures related to its enforcement. Association members who have completed similar compulsory educational requirements during the same years as Members of another Board or Association, shall be credited with all such hours of instruction for purposes of compliance with this bylaw. No REALTOR® Member shall be required to take more than a total of six (6) hours in any two years.

NOTE: Any education requirement must comply with Interpretation No. 37 of Article I, Section 2, Bylaws, NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XX - INDEMNIFICATION

Section 1.

The Association shall indemnify any covered person who was, or is, a party to, or is threatened to be made a party to any covered proceeding.

Section 2.

Persons covered by this Article are directors, officers, employees or agents of the Association, or persons who are or were serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, if:

- (1) the person's act or failure to act was in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Association or its members, and
- (2) with respect to any criminal action or proceeding, the person had no reasonable cause to

believe the conduct was unlawful.

Section 3.

The contemplated proceedings covered by this Article are any threatened, pending or completed action, suit or proceeding, whether civil, criminal administrative or investigative, if the proceeding involves the person because of the person's relationship with the Association.

Section 4.

The coverage under this Article includes indemnification against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceedings.

Section 5.

The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere shall not, of itself, create a presumption that the person is not covered. Such facts may be considered, however, in making that determination.

Section 6.

No indemnification shall be made if the person was adjudged to be liable for negligence or misconduct in the performance of an important and material duty to the Association, unless the court determining such liability determines that, despite the adjudication of liability, under the circumstances the person is fairly and reasonably entitled to indemnity for such expenses which the court shall determine proper.

Section 7.

Expenses incurred may be paid by the Association in advance of the final disposition of the proceeding when approved as required by law, and upon receipt of an undertaking by or on behalf of the person to repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the Association.