

B Y L A W S
OF
THE EAST CENTRAL ASSOCIATION OF REALTORS®, INC.

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BYLAWS

ARTICLE I - Name

Section 1. Name. The name of this organization shall be the EAST CENTRAL ASSOCIATION OF REALTORS®, INC., hereinafter referred to as the "Association."

Section 2. REALTOR. Inclusion and retention of the registered collective membership 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 in this community 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 the community with the Michigan Association of 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®.

Section 7. The Association may compile statistical reports and data including but not limited to sold data concerning listings produced by the Association of REALTORS®. Such reports are not a part of the Multiple Listing Service even though the source of some or all of such information is derived from the Multiple Listing Service and may be supplied to eligible classifications of memberships of the Association. The eligible classifications of memberships and the fees are determined by the Directors of the East Central Area Association of REALTORS®.

ARTICLE III – Jurisdiction

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS shall include the County of Genesee, Michigan as allocated by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS.

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 in the terms.

ARTICLE IV –Membership

Section 1.

(a) REALTOR® MEMBERS. REALTOR® members whether primary or secondary shall be:

- (1) Individuals who, hold a state broker or salesperson license, and 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 shall qualify for REALTOR® membership only. 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 in a 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.
- (2) 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. (Amended 1/01)

NOTE: REALTOR® Members may obtain membership in a "secondary" Board in another state.

- (3) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers or branch office managers, and are associated with a REALTOR® member and meet the qualifications set out in Article IV.
- (4) Franchise REALTOR® Members. 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 association 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; and the right to hold elective office in the local association, state association and National Association.

- (5) Primary and Secondary REALTOR® Members. An individual is a primary member if the 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 association. One of the principals in a real estate firm must be a Designated **REALTOR®** member of the association in order for licensees affiliated with the firm to select the association as their "primary" association.
- (6) 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. 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 IV, Section 2, of the Bylaws

- (b) INSTITUTE AFFILIATE MEMBERS.** Institute Affiliate members shall be individuals who hold a professional designation awarded by a qualified 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 vote or hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.
- (c) Section 7. AFFILIATE MEMBERS.** Affiliate members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraph (a) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objects of the Association.
- (d) Section 8 PUBLIC SERVICE MEMBERS.** Public Service Members shall be individuals who are interested in the real estate profession as salaried 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) Section 9 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.
- (f) Section 10. LIFE MEMBERS.** Life members shall be individuals who are retired, who have held membership in the East Central Association of REALTORS® or the East Central Association of REALTORS® for a minimum of 20 years, and who wish to remain in active contact with the Association. Life members are so designated following formal application and final approval from the Board of Directors. Special consideration may be given to other individuals, who are not retired, but who have held membership in the East Central Association of REALTORS® or the East Central Association of REALTORS® for a minimum of 20 years, based on their age and years of service to the Association totaling 85 years or more.

ARTICLE V – Qualification, Reinstatement 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 (1) that applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the National Association of REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the East Central Association of REALTORS®, the State and National Associations, and if elected a member, will abide by the Constitution and Bylaws and the 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 if elected a REALTOR® member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligations 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 (2) that applicant consents that the Association may invite and receive information and comments about applicant from any member or other person, 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. Reinstatement Re-instatement of any member applying after a one-year lapse in membership must follow the same procedure as a new member. Reinstatement of any member who was in good standing at the time of the membership lapse, applying after less than a one-year lapse in membership will be reinstated by the CEO upon receipt of payment of all dues and fees payable, if any.

Section 3. Qualification

(a) An applicant for REALTOR® membership who is a sole proprietor, partner, Corporate officer or a branch office manager of a real estate firm shall supply evidence satisfactory to the Association through it's membership committee or otherwise that he/she is actively engaged in the real estate profession; and maintains a current valid real estate Broker's license, a Salesperson's license or is a licensed appraiser who also holds a valid broker or salesperson license, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy* has no record of official sanctions involving unprofessional conduct**; agrees to complete a course of introduction of ECAR and to also review and abide by the Bylaws and Code of Ethics of ECAR, MAR and NAR.

*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 association 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 association 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.

**No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:

- A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities

- B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date

(b) Individuals who are actively engaged in the real estate profession other than as principals, partners, corporate officers, branch office managers, in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association, or a Designated REALTOR® Member of another Board/Association within the state or a state contiguous thereto (unless a Secondary Member). Must maintain a current valid real estate Broker's or Salesperson's license or be a licensed appraiser who also holds a valid broker or salesperson's license; 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 examination thereon as may be required by the Board of Directors; and shall agree in writing that if elected to membership he/she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws and Rules and Regulations of the local Association, State Association, and the National Association.

(c) The Association may also consider the following in determining an applicant's qualification 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
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 has unsatisfied discipline pending in another association (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 ethics 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 4. Election to Membership

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 _____ 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 a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Adopted 1/98, Amended 1/05)

Section 5. REALTOR® Code of Ethics Training

Effective January 1, 2019, through December 31, 2021 and for successive three 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 ethics training of not less than two (2) hours and thirty (30) 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 REALTOR® association, the State Association of REALTORS®, or the NATIONAL ASSOCIATION OF REALTORS®, 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 three year cycle shall not be required to complete additional ethics training until a new three 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 three year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three 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 01/20

Section 6. Status Changes

(a) A REALTOR® who changes the conditions under which his/her membership is held 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 10 days of the date he/she advised the Association of his/her change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

Note: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

(c) Dues shall be prorated from the first day of the quarter in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI- Privileges and Obligations

Section 1. The privileges and obligations of members, in addition to those otherwise provided in these Bylaws, shall be as specified in this article.

Section 2. 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, including but not limited to Association Resolutions for continuing education and such other Resolutions as the Association may from time to time adopt and which Resolution shall incorporate by reference the discipline set forth herein after a hearing as provided in the 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 are however bound by and subject to the ECAR Affiliate's Standards of Practice and should conduct their business and professional practices accordingly. Further, members other than REALTORS® may, 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. Any REALTOR® Member of the Board 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 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 moneys owed.

Section 5. If a Member resigns from the Board 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 disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic 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 (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 6. 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; may use the terms REALTOR® or REALTORS®, which use shall be subject to the provisions of Article VII and have the primary responsibility to safeguard and promote the standards, interests and welfare of the Association and the real estate profession.

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, or an officer in a corporation, and is suspended or expelled, the firm, partnership, or corporation, of which the member was a principal 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, or management control is relinquished, 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, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in the Association. The

foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed 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 management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his 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 term REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

(b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6 (a) hereof, notice of such action shall be given 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 (a) shall apply.

Section 7. Institute Affiliate Members Institute Affiliate Members shall have rights and privileges and be subject to obligations as 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. Licensed Appraisers. Licensed Appraisers shall have such privileges and rights and be subject to obligations as prescribed by the Board of Directors.

Section 9. Affiliate Members. Affiliate members shall have such privileges and rights, including the right to vote, and be subject to obligations as prescribed by the Board of Directors.

Any Affiliate Member of the Association may be disciplined by the Board of Directors for violations of the Affiliates Standards of Practice 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 10. Public Service Members. Public Service members shall have such privileges and rights and be subject to obligations as prescribed by the Board of Directors.

Section 11. Honorary Members. Honorary Members shall confer no rights except the right to attend meetings and participate in discussions, and shall impose no obligations.

Section 12. Life Members. Life Members shall have all the rights and privileges and be subject to all of the obligations of REALTOR® members.

Section 13. Certification by REALTOR® "Designated" REALTOR® Members of the Association shall certify to the Association during the month of February each year, on a form provided by the Association a complete listing of all individuals licensed or certified with the REALTOR®'s firm(s) within the State and shall

designate a primary Association for each individual. These declarations shall be used for purposes of calculating dues under Article X, Section 2 (a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(S) within ten (10) days of the date of receipt of license or severance of the individual.

Section 14. Loss or Suspension of License. It shall be the Member's obligation to report to the Association the loss or suspension of his/her license within 48 hours of this notification by the State. Loss or suspension of the State of Michigan real estate license of any Member for any cause shall automatically cause the suspension or loss of membership in this Association for the period of said loss or suspension. The Board of Directors shall note such suspension in the minutes of its meeting along with the reason thereafter and the period of such loss or suspension, if established. During the period of suspension, the Board of Directors may direct the Grievance Committee to conduct an investigation for the purpose of disciplinary action.

Section 15. Mandatory Education The Board of Directors may prescribe mandatory educational programs concerned with Civil Rights Laws, Anti-Trust, Agency, and the Code of Ethics of the Association of REALTORS® for each classification of membership as it may from time to time determine. (Reference Article V, Section 2 for disciplinary actions.)

Mandatory Educational Programs **must** comply with Interpretation Number 37 of Article I, Section 2, Bylaws, National Association of REALTORS®.

Section 16. Notification to Membership

Any member who leaves the association on their own terms shall be published in the monthly publication and on the computer as "No Longer Members"

Section 17. Sexual Harassment Any member of the Association may be reprimanded, placed on probation, suspended or expelled for sexual 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 one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with 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 or President-Elect, 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.

ARTICLE VII - Professional Standards and Arbitration

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the

Code of Ethics, the disciplining of Members, the arbitration of disputes, 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 this reference incorporated into these Bylaws, provided, however, that any provisions deemed inconsistent with State law shall be deleted or amended to comply with State laws.

Section 2. It shall be the duty and responsibility of every REALTOR® member of this Association to abide by the Constitution and Bylaws and the 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 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. The responsibility of the association and 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 consistent with the cooperative professional standards enforcement agreement entered into by the association, which by this reference is made a part of these Bylaws.

ARTICLE VIII - Use of the Term REALTOR® and REALTORS®.

Section 1. 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 the 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.

Section 2. 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. 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 business within the state or a state contiguous thereto are REALTOR® members or Institute Affiliate Members as described in Section 1 (b) of Article IV.

(a) 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 and Licensed Appraiser 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 MEMBERSHIP

Section 1. The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and of the Michigan Association of REALTORS®. By reason of the Association's membership, each REALTOR® member of the member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Michigan Association of 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 its REALTOR® members, decision is made to withdraw, in which case the State and NATIONAL ASSOCIATION shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. 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 by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS® that it has violated the conditions imposed upon the terms.

Section 3. 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 and the Michigan Association of REALTORS®.

ARTICLE X - Fees, Dues and Finances

Section 1. Application Fee. There shall be an application fee for the Association membership, which shall accompany each and every application, which such fee shall become the property of the Association upon final approval for membership. The amount of the fee shall be determined by the Board of Directors for each class of membership at the beginning of each fiscal year. The fee shall not exceed three times the annual dues applicable for local membership.

Section 2. Dues The Annual dues of members shall be as follows:

(a) REALTOR® Members. The annual dues of each designated REALTOR® member shall be in such amount as established annually by the board of directors, plus an additional amount to be established annually by the board of directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in the state or a state contiguous thereto or Institute Affiliate members of the association. In calculating the dues payable to the association by a designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the designated REALTOR® has paid dues based on said non-member licensees in another association in the state or a state contiguous thereto, provided the designated REALTOR® notifies the association in writing of the identity of the 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 association. (Amended 1/05)

(1) For the purpose of this section, a REALTOR® member of a Member Board 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 office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1 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, corporate officer, or branch office manager 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, renting, 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®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licenses in a referral firm.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

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. (Amended 11/09)

(b) **Realtor Members.** The annual dues of REALTOR® Member other than the designated REALTOR® shall be as established annually by the Board of Directors.

(c) **Licensed Appraiser Members.** The annual dues of each Licensed Appraiser Member shall be established annually by the Board of Directors.

(d) **Affiliate Members.** The annual dues of each Affiliate member shall be established annually by the Board of Directors.

(e) **Public Service Members.** The annual dues of each Public Service member shall be established annually by the board of Directors.

(f) **Honorary Members.** The annual dues of each Honorary member shall be established annually by the Board of Directors.

(g) **Life Members.** The annual dues of each Life member shall be established annually by the Board of Directors.

(h) **Realtor Emeritis.** The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the NATIONAL ASSOCIATION OF REALTORS®, Past Presidents and part treasurers of the National Association and recipients of the Distinguished Service Awards shall be determined by the Board of Directors (Amended 11/20/2013)

Section 3. Dues Payable. Dues for all Members shall be payable quarterly in advance as prescribed by the Board of Directors. Dues shall become payable on the first day of the quarter in which a Member shall be notified of election of membership and shall be prorated for the year.

Section 3(a) 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 Designated REALTORS® dues obligation shall be increased to reflect the addition of a non-member licensee (as set forth in Article X, Section 2(a)). 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 4. Non Payment of Financial Obligation-

- A) If dues, fees, fines or other obligations are not paid by the due date, the non paying Member will be assessed a late fee on the day following the due date.
 - B) The Member and the Members Broker will then be notified of the non payment and due date in written notice.
 - C) If the invoice is not paid within the next 30 days following, the Member will be deactivated, all services will be suspended and an additional re-instatement fee will be assessed. The Member will be re-instated only after payment in full of all accounts due is received by the association.
 - D) The Member's Broker will be notified that the Broker has ten days to pay their increased dues obligation (as set forth in Article X, Section 2(a).
- or
- E) At ten days, the broker has not paid their increased due obligation, within the 10 days of Broker notification the entire Office will be deactivated, all services will be suspended and an additional re-instatement fee will be assessed to the Broker. (effective 2008)

Section 5. Deposit. All moneys received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures. The Board of Directors shall administer the finances of the Association, but shall not incur any obligation in excess of the available cash on hand.

ARTICLE XI - Officers and Directors

Section 1 - Indemnification.

(a) **NON-DERIVATIVE ACTIONS.** The Board of Directors or members shall have the right to cause the Corporation to indemnify any person who was or is a party or is threatened to be made a party to any

threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than action by or in the right of the Corporation) by reason of the fact that such persons is or was a director, officer, employee, non-director volunteer, or agent of the Corporation, or is or was serving at the request of the Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its members, and with respect to any criminal action or proceeding had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its members and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(b) **DERIVATIVE ACTIONS**. The Board of Directors or members shall have the right to cause the Corporation to indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, or suite by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee, non-director volunteer, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, non-director volunteer, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorney's fees) actually and reasonable incurred by such person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation of its members and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) **DETERMINATION THAT INDEMNIFICATION IS PROPER**. Any indemnification under Subsections (a) or (b) immediately above may be made by the Corporation pursuant to an order by a court or upon a determination that indemnification of the director, officer, employee, non-director volunteer or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Subsections (a) and (b) immediately above. Such determination shall be made in either of the following ways:

- (1) By the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding.
- (2) If such quorum is not obtainable, or even if obtainable, where a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.
- (3) By a majority of the Board members present and voting.

(d) **EXPENSE ALLOWANCE**. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Subsections (a) and (b) above may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Subsection (C) immediately above upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount unless it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation.

(e) **FORMER DIRECTORS AND OFFICERS**. The indemnification provided in this Section may extend, if the Board of Directors or members so choose, to a person who has ceased to be a director, officer, employee, non-director volunteer, or agent and in such case shall inure to the benefit of the heirs, executors, and administrators of such person.

(f) **INSURANCE AUTHORIZATION**. The Board of Directors of the Corporation shall have the authority to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, non-director volunteer, or agent of the Corporation or is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation, as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred by such person in any such capacity or arising out of his or her status as such, whether or not the Corporation would have power to indemnify such person against such liability under Subsection (a) and (b) above.

(g) **INCLUDES CONSTITUENT CORPORATIONS**. For the purposes of Subsections (a) and (b) above, references to the Corporation including all constituent corporations absorbed in consolidation or merger and the resulting or surviving corporation, so that a person who is or was a director, officer, employee or agent of such constituent corporation or is or was serving at the request of such constituent corporation, partnership, joint venture, trust, or other enterprise shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he or she would if he or she had served the resulting or surviving corporation in the same capacity.

(g) **NON-EXCESSIVENESS**. The foregoing right of indemnification shall be in addition to, and not inclusive of, all other rights to which such director, officer, employee or agent may be entitled.

Section 2. Officers. The elected officers of the Board shall be: President, President-Elect, Secretary, Treasurer, and the Immediate Past President. They shall be elected for terms of one year.

Section 3. Duties of the Officers. The duties of the officers shall be such as their titles, by general usage, would indicate, and such as may be assigned to them by the Board of Directors, these Bylaws and Standing Rules, and such as are required by Roberts Rules of Order. Refer to Policy Manual for specific duties.

Section 4. Board of Directors

The governing body of the Association shall be a Board of Directors consisting of Fifteen (15) REALTOR® Members of which eight (8) must be Designated REALTORS plus one (1) Affiliate member. A minimum of-Six (6) Designated REALTORS®, no less than Four (4) REALTORS®, and One (1) Affiliate member shall be elected to the Board of Directors by an election as outlined in Section 5. Nomination of Directors and Section 6. Election of Directors. Elected REALTOR® Directors shall serve three (3) year terms. Elected Affiliate Directors shall serve a two (2) year term. Two (2) Designated REALTOR® Directors shall be appointed to the Board of Directors by the Broker Support Unit for a term as determined by the Broker Support Unit. One Director will be appointed to serve by the ECAR Woman's Council of REALTORS® chapter for a term as determined by the ECAR Woman's Council of REALTORS®. One REALTOR® shall be appointed by the ECAR Board of Directors to serve a 2 year term.

(a) Not more than two (2) REALTOR® Members of any one (1) firm shall serve on the Board of Directors at any given time.

(b) No Director may serve more than two (2) consecutive terms on the Board of Directors, except as

allowed in Section 7 (a). No Director's term shall be more than a three (3) year term. After having served two (2) consecutive terms on the Board of Directors a lapse of one (1) year must occur prior to being nominated for a future election or appointment.

(c) Any Director found in Violation of the Code of Ethics, during his or her term on the Board of Directors, must immediately resign his or her position on the Board of Directors.

(d) At no time will the Members of the Board of Directors ever exceed 16.

Section 5. Nomination of Directors.

- (a) A candidate for election to the Board of Directors must:
1. Be a member in good standing of the East Central Association of REALTORS®
 2. Have been a member of the Michigan Association of REALTORS® for a minimum of three (3) years prior to being nominated.
 3. Have served as an active member of a Committee, Advisory Group or Task Force for the East Central Association of REALTORS® for a minimum of one year.
 4. Not have been found in violation of the Code of Ethics during the three years prior to being nominated.
- (b) A candidate may be placed in nomination by any member in good standing or may be self-nominated by completing a nomination package provided by the Association during the month of July.
- (c) The Nominating Committee shall be appointed by the President, with approval by the Board of Directors, at the Board of Directors meeting immediately proceeding July 1. The Nominating Committee shall consist of eleven (11) members consisting of the Immediate Past President as chairperson, the current President, current President Elect, and eight (8) REALTORS® at Large. Those "at Large" members shall be selected by the Chairperson from the following: Immediate Past Board of Director members not currently serving on the Directorate, Former Board of Director members not currently serving on the Directorate, Current Board of Director members and Members at Large. Six or more members of the Nominating Committee shall constitute a quorum of the Committee. No more than one member of any firm, partnership or corporation shall serve on the Committee.
- (d) The Nominating Committee shall meet during the first week of August to certify eligibility of the persons in nomination, the position each nominee is running for and to provide additional nominees to insure that at least two persons are in nomination for each available position open for election.
- (e) Nominees shall be published to the Membership in September.
- (f) Following receipt of all nominations, but no later than September 30th, the Board of Directors shall cause a ballot to be drawn with the names of all nominees in alphabetical order for each category of membership.

Section 6. Election of Directors.

(a) It shall be the responsibility of the Board of Directors to strictly conform to all election procedures and guidelines set forth in the Bylaws.

(b) Voting at the Annual Corporate Meeting for positions to be filled on the Board of Directors shall be by secret ballot. The Board of Directors shall have caused one (1) ballot to be placed in the hands of each REALTOR® member of the Association prior to the Annual Corporate Meeting. Prior to or at the Annual Corporate Meeting, all voting members may cast their vote either in person, electronically or by mail. Each voting member may cast a vote for each position open. Accurate elections and handling of the ballots are the direct responsibility of the Board of Directors.

(c) Any ballot submitted at the Annual Corporate Meeting shall be added to any count previous tallied.

(d) At the election, length of terms shall be determined by numerical sequence from the highest to the

lowest number of votes received by each of the elected nominees. When a ballot vote is taken to elect any candidate the chair will announce the successful candidate's name but shall not announce the number of votes for any candidate.

(e) In case of a tie vote in the election, selection shall be made by lot under the direction of the tellers in charge of the election.

Section 7. Election of Officers.

(a) Officers and Directors, at their next regular meeting following the Annual Corporate Meeting, will nominate candidates to serve as President, President Elect, Secretary and Treasurer of the Association for the following year. The immediate Past President will remain on the Board of Directors following their year as President as an officer of the Board even if their term as a Director has expired. In the case of a vacancy of the MLS Chairperson the President will appoint someone from the current Board of Directors or the current MLS Committee with BOD approval. A REALTOR® Director must have served on the Board of Directors for a minimum of one (1) year before being eligible to serve as an officer. The President-Elect must have sat on the Budget and Finance Committee during their current term before taking office as President. The election of the Officers will take place at that same meeting, by secret ballot, with both the sitting Directors and the newly elected Directors being eligible to vote.

*The President Elect in the absence of unforeseen events, shall succeed to the office of President, subject to election thereto. In case the President Elect's term on the Board of Directors expires before assuming office, a one year extension as Director shall automatically be granted in order to fulfill the obligation and requirement to serve as President.

All newly elected Directors and Officers shall take office as of January 1, following their election

Section 8. Vacancies.

(a) Vacancies among the Board of Directors, by resignation or otherwise shall be filled by the President with the approval of the Board of Directors, until the next general election only, at which time the membership of the Association shall elect a Director or Directors for the remainder of any unexpired term or terms. Vacancies among the officers shall be filled by an appointment of the President from the existing Directors with approval of the Board of Directors.

Section 9. Installation. Method of installation of the newly elected officers and directors shall be prescribed by the NATIONAL ASSOCIATION OF REALTORS®.

Section 10. Removal from Office. 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, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be 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 membership of the association 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 of the association 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.

Section 11. Chief Staff Executive.

There shall be a chief staff executive, appointed by the board of directors, who shall be the chief administrative officer of the association. The chief staff executive shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the board of directors. (Adopted 1/05)

ARTICLE XII - Meetings

Section 1. Annual Meetings. The annual meeting of the Association shall be held in October each year, the place and hour to be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from two (2) regular meetings within a 12 month period without an excuse deemed valid by the Board of Directors shall be construed as resignation. A quorum for the transaction of business shall be a majority of the board of directors, except as may otherwise be required by state law.

(a) Procedures for Addressing Emergency Issues

- (1) Wait until the next Regular Board Meeting. If the issue cannot wait:
- (2) Call a special Board Meeting. If a quorum cannot be obtained:
- (3) Schedule an AT&T Telephone Conference Meeting. If a quorum cannot be obtained:
- (4) Initiate a Meeting conducted through e-mail. A motion made by e-mail must be seconded before written discussion takes place, and sufficient time must be provided for written discussion, questions, etc. before voting. If the question is called for a vote, a quorum must vote and a copy of each e-mail must be retained with the meeting minutes. (effective 2008)

Section 3. Other Meetings. Meetings of the members may be held at such other times as the President or the Board of Directors may determine, or upon written request of at least ten percent of the REALTOR® Members.

Section 4. Notice of Meetings. Written or electronic notice shall be given to every member entitled to participate in the meeting at least one week preceding all meetings. If a special meeting is called it shall be accomplished by a statement of the purpose of the meeting.

Section 5. Quorum.

(a) Committee Meetings: A quorum for committee meetings shall consist of a simple majority of the committee members, unless otherwise provided in these Bylaws.

(b) Board of Directors: A quorum of the Board of Directors shall consist of a simple majority of the Directorate.

(c) Membership Meetings: A quorum of the Association for the transaction of business and/or special meetings of the membership shall consist of ten percent (10%) of the Designated REALTORS® and five percent (5%) of the REALTOR® from the firms represented in the Association who are eligible to vote, except as may otherwise be required by state law.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the REALTOR® members, subject to confirmation by the Board of Directors, the following standing committees:

Bylaws
 Finance
 Prof. Standards
 Grievance
 Education/Sub Committee-Equal Opportunity
 MLS
 RPAC & Governmental Affairs

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, such special committees, work groups, task forces as deemed necessary.

Section 3. Organization. All Committees, advisory and work groups and task forces, 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. Terms of all committees, advisory and work groups and task forces, shall be determined by the Board of Directors. All Committees, advisory and work groups and task forces, shall report to the Board of Directors and are accountable to the Board of Directors. All Committees, advisory and work groups and task forces, shall have minutes or reports kept for each meeting in addition to attendance kept.

Section 4. President. The President and President Elect shall be the ex officio members of all standing committees and shall be notified of their meetings.

Section 5. Committee Actions. All the committee's, advisory and work group's and task force's successful motions requiring action must be approved by the Board of Directors, with the exception of the Grievance and Professional Standards Committee's, due to confidentiality.

Section 6. Action without Meeting. Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee. (Adopted 1/05)

Section 7. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the president and shall constitute presence at the meeting. (Adopted 1/05)

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 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. These Bylaws may be amended by majority vote of the REALTOR® and Affiliate members present and qualified to vote at any meeting or electronically at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for this purpose. 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. Article VIII may be amended only by a majority vote of all REALTOR® and Affiliate members.

Section 2. Notice of all meetings at which such amendments are to be considered shall be given to every REALTOR® member at least (1) one week prior to the time of meetings.

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® members or the use of the terms REALTOR® and REALTORS®, shall become effective upon their approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVI - Dissolution

Section 1. Upon the dissolution of this association, the board of directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Michigan Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVII - Multiple Listing Service

Section 1. Authority. The Association of REALTORS® shall maintain for the use of its members, as qualified herein, a Multiple Listing Service which shall be subject to the Bylaws of the Association of REALTORS® and such Rules and Regulations as may be hereinafter adopted.

Section 2. Purpose. A Multiple Listing Service is:

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

Section 3. Participation. Shall be as prescribed in the Multiple Listing Service Rules and Regulations as adopted and revised by the Board of Directors. Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.* However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service "membership" or "participation" unless they hold

a current, valid real estate broker's license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law. (Amended 11/08)

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 4. Supervision. The activity shall be operated under the supervision of the Multiple Listing Service (MLS) Committee, in accordance with the Rules and Regulations, subject to the approval of the Board of Directors.

Section 5. Appointment of Committee. In addition to the elected Chairman the President shall appoint, subject to confirmation by the Board of Directors, a Multiple Listing Service Committee of at least five (5) REALTOR® members. A majority of the Committee shall be Designated REALTORS® in the Multiple Listing Service.

Section 6. Vacancies. Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7. Attendance. Any Committee member who fails to attend two (2) successive regular or special meetings of the Committee, without excuse acceptable to the Chairman of the Committee, shall be deemed to

have resigned from the Committee and the vacancy shall be filled as herein provided for original appointments.

Section 8. Access to Comparable and Statistical Information. Comparable and statistical information is provided for the exclusive use of Association Members and individuals affiliated with Association 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 MLS Rules and Regulations. Association members who receive such information, either as Association Services 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.