

Hillsdale County Board of REALTORS®

Board Bylaws

Updated, Adopted and Approved
February 9, 2022

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Article 1-Name

Section 1. Name

The name of this organization shall be the Hillsdale County Board of REALTORS® Incorporated, hereafter referred to as the "Board."

Article II-Objects

The objectives of the Board 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 interests of home and other real property ownership.

Section 5.

To unite those engaged in the real estate profession in this 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®.

Article III-Jurisdiction

Section 1.

The territorial jurisdiction of the Board as a Member of the NATIONAL ASSOCIATION OF REALTORS® is Hillsdale County, Michigan.

Section 2.

Territorial jurisdiction is defined to mean:

(a) 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 Board agrees to protect and safeguard the rights of the National Association in the terms.

Article IV-Membership

Section 1.

There shall be six classes of members as follows:

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

(1) Individuals who, as sole proprietors, partners, or 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 of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership.

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.

(2) 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.

(3) **Franchise REALTOR® Membership.** Corporate officers of a real estate brokerage franchise organization with at least 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; and the right to hold elective office in the local board, state association and National Association.

(4) **Primary and Secondary REALTOR® Members.** An individual is a primary member if the Board 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. One of the principals in a real estate firm must be a Designated REALTOR® member of the Board in order for licensees affiliated with the firm to select the Board as their "primary" Board.

(5) **Designated REALTOR® Members.** Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of membership including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of Board dues. 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.

(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® or REALTOR-ASSOCIATE® 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 who, 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 Board. Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the board, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

(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) **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 Board, or for the public.

(f) **Student Members.** Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

(g) **Privileges of REALTOR Members.** REALTOR® members, whether primary or secondary, in good standing are entitled to vote and to hold elective office in the board and may use the term REALTOR®. For purposes of this section "good standing" means the member satisfies the "Obligations of REALTOR Members", is current with all financial and disciplinary obligations to the board and MLS, has completed any new member requirements, and complies with NAR's trademark rules.

(h) **Obligation of REALTOR® Members.** It shall be the duty and responsibility of every REALTOR® member of this board to safeguard and promote the standards, interests, and welfare of the association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members also must abide by the governing documents and policies of the board, the State Association, and the National Association of REALTORS® as well as 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 in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual.

Every REALTOR® member shall maintain a high level of integrity and adhere to the association's membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership.

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 (1) that applicant agrees as a condition to membership to thoroughly familiarize him/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulation of the Board, the State and National Associations, and will abide by the Constitutions and Bylaws and Rules and Regulations of the Board, State and National Associations, and if a REALTOR Member, 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 (2) that applicant consents that the Board, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Board 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, Regulations and Code of Ethics referred to above.

(b) Application for membership shall be made not later than 15 days after proposed applicant passes the State Licensing examination or within 15 days of transfer. When any individual affiliated with a REALTOR® firm, does not apply for membership, Article X, Sections 3 and 4 shall apply.

(c) Anyone leaving the Hillsdale County Board of REALTORS® in good standing with dues and obligations paid, may reenter the Board by paying prorated dues and any assessed new member fees as established by the Board of Directors of the local or state association. Such members, if reapplying for membership within 12 months from termination, shall be eligible for a reduced new member application fee.

Section 2. Qualification

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer or branch office manager of a real estate firm shall supply evidence satisfactory to the Board through its Membership Committee or otherwise that s/he 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), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, the Bylaws of the Michigan Association of REALTORS®, 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 Committee, and shall agree to 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 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.*

***No record of official sanctions involving unprofessional conduct is intended to mean that the Board may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.*

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. (Adopted 1/01)

(b) Individuals who are actively engaged in the real estate profession other than as principals, partners, corporate officers, or 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 Board or a Designated REALTOR® Member of another Board (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 Board, the Bylaws of the Michigan Association of REALTORS®, 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 Membership Committee, and shall agree in writing to abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

(c) The Board will also consider the following in determining an applicant's qualifications for

REALTOR® Membership:

1. All 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 (except for violations of the Code of Ethics; See Article V, Section 2(a) Note) 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. (Amended 1/01)

"Provisional" membership may also be granted pending the applicant's completion of the required New Member Orientation and Code of Ethics training.

Section 3. Election

The procedure for election to membership shall be as follows:

(a) Applicants for REALTOR® (and REALTOR-ASSOCIATE®) membership shall 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® (or REALTOR-ASSOCIATES®) and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the Board's Bylaws, or if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 190 days from the association's receipt of the application, membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues shall be computed from the date of application and shall be non-refundable unless the Board of Directors terminates the individual's membership in accordance with subsection (a) above. 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.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance written notice, 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 may electronically or mechanically record the proceedings.

(d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Executive Officer. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

Section 4. New Member Code of Ethics and 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 (2) hours and thirty (30) 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 (1) year or less.

Failure to satisfy this requirement within 180 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, 2019, through December 31, 2021, and for successive 3-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 (2) two hours and (30) 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 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 3-year cycle shall not be required to complete additional ethics training until a new 3-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 3-year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any 3-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.

Section 6. Status Changes

(a) A REALTOR® who changes the conditions under which he or she holds membership shall be required to provide written notification to the Board within 30 days. A REALTOR® (non-principal) who becomes a principal in the firm with which he 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 they have transferred within 60 days of the date they advised the Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® (or REALTOR-ASSOCIATE®) who is transferring his or her license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 60 days of the date the board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors. (The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Board'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 month 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 specified in this Article.

Section 2.

Any member of the Board may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Board Rules and Regulations consistent with these Bylaws, after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the Board. Although members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Board, 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 Board, the Michigan Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Discipline of REALTOR Members.

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 Board, 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 Board for dues, fees, fines, or other assessments of the Board or any of its services, departments, divisions, or subsidiaries, the Board may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

Section 5.

Within seven (7) days of separation from a brokerage, the separated REALTOR® must remove any all signage that identifies the REALTOR® with his/her previous brokerage, or show proof that a third party has been notified to do so. A fine of \$10 per day may be assessed for noncompliance.

Section 6.

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 Board 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®. (Amended 1/00, and 11/11)

Section 7. REALTOR® Members

ONLY REALTOR® Primary Members, in good standing whose financial obligations to the Board are paid in full shall be entitled to vote and to hold elective office in the Board. Both Primary

and Secondary Members shall be entitled to use the term REALTOR® and REALTORS®; which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Board 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 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 until connection of the disciplined member with the firm, partnership or corporation is severed, or unless the REALTOR® member (non-principal) elects to sever his or her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the board, 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.

(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® Members and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.

Section 8. Institute Affiliate Members

Institute Affiliate Members shall have rights and privileges (other than the right to hold elective office), and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Section 9. Affiliate Members

Affiliate Members shall have rights and privileges (other than the right to hold elective office), and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Section 10. Public Service Members

Public Service Members shall have rights and privileges (other than the right to vote and hold elective office), and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Section 11. Honorary Members

Honorary membership shall confer only the right to attend meetings and participate in

discussions.

Section 12. Student Members

Student membership shall confer only the right to attend meetings and participate in discussions.

Article VII-Professional Standards and Arbitration

Section 1.

The responsibility of the Board and of Board members relating to the enforcement of the Code of Ethics, the disciplining of Members, and 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 this 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.

It shall be the duty and responsibility of every REALTOR® Member of this Board to abide by the Constitution and Bylaws and the Rules and Regulations of the Board, the Constitution and Bylaws of the Michigan Association of REALTORS®, 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 Board as from time to time amended.

Article VIII-Use of the Terms REALTOR® and REALTORS®

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

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 Board 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.

REALTOR® Members of the Board shall have the privilege of using the terms REALTOR® and 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.

A REALTOR® principal member may use the terms REALTOR® and REALTORS®, only if all 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 or Institute

Affiliate members.

In the case of a REALTOR® principal member 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, holds REALTOR® Membership. If a firm, partnership, or corporation operates additional places of business in which no principal, holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

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.

The Board shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Michigan Association of REALTORS®. By reason of the Board's Membership, each REALTOR® Member of the member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Michigan Association of REALTORS® without further payment of dues. The Board shall continue as a member of the state and national associations, unless by a majority vote of all of its REALTOR® members, 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.

The Board recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Board shall discontinue use of the terms in any form in its name, upon ceasing to be a member of the NATIONAL ASSOCIATION OF REALTORS®, 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 Board adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® and REALTOR® Associate Members. The Board and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the NATIONAL ASSOCIATION.

Article X–Dues, Fees and Finances

Section 1. Certification by REALTOR®

"Designated" REALTOR® Members of the Board shall certify to the Board during the month of January each year, on a form provided by the Board, a complete listing of all individuals licensed or certified in the REALTOR'S® office(s) and shall designate a primary Board for each individual who holds membership. Designated REALTORS® shall also 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. These declarations shall be used for purposes of calculating dues under Article X, Section 3(a) of the Bylaws. Designated REALTOR® Members

shall also notify the Board of any additional individual(s) licensed or certified with the firm(s) within 15 days of the date of affiliation or severance of the individual.

A REALTOR® Broker who is a member of the Hillsdale County Board of REALTORS® shall certify periodically, a list of the licensees affiliated with their brokerage who are actively engaged in listing, selling, leasing, managing, counseling or appraising real property. They shall also provide a list of licensees who act as office staff or personal assistants, but who do NOT engage in listing, selling, leasing, managing, counseling or appraising real property.

- (a) A licensee who is employed by a REALTOR® as a personal assistant or other office staff and who is NOT engaged in listing, selling, leasing, managing, counseling or appraising real property, shall not be assessed membership dues nor be entitled to the benefits of membership, except for access to the MLS system as a paid staff person or to attend educational programs offered free of charge by the Board.

Section 2. Application Fee

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

Section 3. Dues. The annual dues of Members shall be as follows:

- (a) **Designated 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 Board in the state or a state contiguous thereto or Institute Affiliate Members of the Board. In calculating the dues payable to the Board 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 Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board 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 the Board. (Amended 1/01)

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, 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 provided that such licensee is not otherwise included in the computation of dues payable by the principal of the entity.

A REALTOR® with a direct or indirect ownership 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®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees 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.

(b) REALTOR® Members Dues

The annual dues of REALTOR® members other than the designated REALTOR® shall be as established annually by the Board of Directors.

(b) Institute Affiliate Members: The annual dues for 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 (\$75.00) The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 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 \$25.00 to the account of state associations 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 1/02)

(c) Affiliate Members: The dues of each Affiliate Member shall be in such amount as established by the Board of Directors.

(d) Public Service Members: The dues of each Public Service Member shall be in such amount as established by the Board of Directors.

(e) Honorary Members Dues payable, if any, shall be at the discretion of the Board of Directors.

(f) Student Members: Dues payable, if any, shall be at the discretion of the Board of Directors.

Section 4. Assessment of Dues

Dues for all members shall be payable annually in advance on the first day of January. Dues for new members shall be computed from the date of application and granting of provisional membership. Dues must be made payable to and received by the Board Office.

- (a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Board dues, and the individual remains with the designated REALTOR'S firm, the dues obligation of the Designated REALTOR® (as set forth in Article X, Section 3(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.
- (b) As a service to the Broker, annual dues will be billed to each licensee affiliated with his/her firm. Annual dues notices will be handled as follows:
 - (1) Annual dues notices will be mailed to all licensees in November.
 - (2) A notice of dues not paid by January 1 will be sent to each Broker for all licensees affiliated with his/her firm.
 - (3) Individual notices of unpaid dues will be mailed or delivered to the Broker office for each licensee.
 - (4) A grace period of 10 days will be extended for unpaid dues.
 - (5) Dues not paid by January 10 will be assessed a 10% late fee.
 - (6) If dues are not paid by February 1, the licensee's membership will be terminated.
 - (7) Upon termination of the licensee's membership, the Broker will be notified and must either pay the non-member assessment for the non-member licensee, or remove the license from affiliation with his/her firm.
 - (8) If the licensee's membership is terminated and non member assessments are not paid by the Broker, and if the licensee has not been removed from affiliation with the Broker, the Broker will be found in default, and all services to the Broker and the Broker office shall be terminated. All other licensees who are affiliated with said Broker may maintain their member services if they transfer their licenses to another broker office which is a member of the Board in good standing.

Section 5. Nonpayment of Financial Obligations

If dues, fees, fines, or other assessments including amounts owed to the Board or the Board's Multiple Listing Service are not paid within one month after the due date, the nonpaying member is subject to suspension at the discretion of the Board of Directors. 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 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 Board 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. Deposit

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

Section 7. Expenditures

Any expenditure exceeding \$200.00 other than budgeted items shall be approved by the Board of Directors.

(a) Bills for approved expenses will be paid upon receipt.

(b) All payments shall be made by Board check as authorized by the Board of Directors.

Section 8. Budget

The annual budget for the Board shall be prepared by the Finance Committee and submitted to the Board of Directors for Approval.

Article XI-Officers, Directors and Staff

Section 1. Officers

The elective officers of the Board shall be: President, Vice-President, and Treasurer. They shall be elected for terms of one year. Following completion of a one-year term, the Vice President shall move up to become President for the following year. The President shall, at the end of his/her term, become a Director (Past President) for one year.

The officers of the Board (President, Vice President, Treasurer, and Past President) shall constitute the Executive Committee and shall be responsible for overseeing the activity of the Board Office. The Executive Committee shall be responsible for interviewing, hiring, evaluation and dismissal of Board Office staff, and for dealing with the business of the Board Office as it may arise and require action.

(a) Duties of Officers.

(1) 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.

(2) It shall be the particular duty of the President to chair all meetings of the Board of Directors and of the general membership. The President shall be an ex-officio member of all committees.

(3) It shall be the particular duty of the Vice President to act as second in command and to serve in the President's place if the President is unable to complete his or her term of office. The Vice President also fills in for the President when it occasionally becomes necessary. He or she must be able to represent the President and therefore must work closely with the President. The Vice President shall be an ex-officio member of all standing committees.

(4) It shall be the particular duty of the Executive Officer to oversee the recording and safeguarding of all minutes of the Board of Directors and general membership meetings and to ensure that transcripts of those minutes are provided for each successive meeting. It shall also be the duty of the Executive Officer to oversee the maintenance of the historical documents of the organization.

(5) It shall be the particular duty of the Treasurer to submit to the membership at each

general membership meeting, or more often if so directed by the Board of Directors, a written accounting of all assets and liabilities of the Board and a funds statement detailing all cash inflows and outflows for the preceding period. The Treasurer is responsible for the yearly budget proposal and provides detailed monthly reports for deposits and disbursements. He or she shall serve as chair of the Finance Committee and has the authority to sign checks.

(6) It shall be the particular duty of the Directors to help clarify problems and have input by attending meetings. They shall be in charge of specific tasks as required by the Board of Directors. Directors are elected for three-year terms.

Section 2. Executive Officer

There shall be an Executive Officer, appointed by the Board of Directors, who shall be the chief administrative officer of the Board. The Executive Officer 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.

(a) It shall be the particular duty of the Executive Officer to keep the records of the Board and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the Michigan Association of REALTORS®. The Executive Officer shall have such other duties as are prescribed by the Board of Directors and outlined in his or her Employment Contract.

Section 3. Directors

The governing body of the Board shall be a Board of Directors consisting of seven members, including the elected officers, the immediate past president of the Board, and three elected REALTOR® Members of the Board. Directors shall be elected to serve for terms of two years. As many Directors shall be elected each year as are required to fill vacancies.

(a) Directors must have held a real estate license for at least two years.

(b) Directors must have completed at least 12 transactions in the 2 years prior to election, OR hold a broker's license.

Section 4. Election of Officers and Directors

(a) At least two months before the annual election a Nominating Committee of two REALTOR® Members plus the immediate Past President of the Board shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select at least one candidate for each position to be filled on the Board of Directors. The slate of officer nominees for the Board Election, drafted by the Nominating Committee and approved by the Board of Directors, shall be mailed to all members eligible to vote at least five (5) weeks prior the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 20 percent of the REALTOR® members eligible to vote. The petition shall be filed with the Executive Officer at least two weeks before the election. The Executive Officer shall send notice of such additional nominations to all active members before the election.

(b) Election shall be by ballot and all votes shall be cast in person. The ballot shall contain the names of all candidates and the offices for which they are nominated.

- (1) Ballots may be cast during regular Board Office hours on any day of the designated annual Election Week.
 - (2) Absentee ballots may be cast at the Board Office, during regular Board Office Hours, any time up to two weeks, prior to the designated Election Day.
 - (3) All votes cast will be counted and the winners announced in the Board Newsletter.
- (c) An independent third party shall count the ballots.
- (d) The structure of the Board of Directors shall be as follows: No more than two of the members may be from one company.
- (i) In the event that any election of officers results in more officers being elected from one company than are permitted by these Bylaws, those so elected will be given the option to withdraw, permitting the second place candidate to take the office.
 - (ii) In the event that no one withdraws, the names of the winning candidates who are from the same office will be placed in a receptacle and the name drawn by the Executive Officer will be the person who will take the vacant seat. The remaining seat will go to the second place candidate.
 - (iii) In the event of any tie, the outcome will be determined by placing the names of the candidates so elected into a receptacle. The executive officer will draw out the name of the winning candidate.
 - (iv) All nominees for Vice President of the Board shall have their primary office in Hillsdale County and must fulfill ONE or more of the following requirements:
 - Must have been a REALTOR® for 5 years or must hold a broker's license.
 - Must have served on at least three committees of the Hillsdale County Board of REALTORS®.
 - Must have served on the Board of Directors of the Hillsdale County Board of REALTORS.
- (e) No one may serve on the Board of Directors for more than six consecutive years unless completing the final year or years in a term.
- (f) Any members of the Board of Directors may run for different positions on the Board. In the event any Board Members so running should win the election, they must resign from their current board positions at the end of the calendar year.

Section 5. Vacancies

When any Board position is vacated during an unexpired term, the Board of Directors, by simple majority vote, and with the following provisions, shall appoint someone to fill the position:

- (a) Any appointee must abide by the provisions already set forth in the bylaws regarding qualifications and tenure.
- (b) Regardless of Board position, appointees shall fill only the unexpired term until the next annual election.
- (c) Any person appointed as Vice President will NOT automatically move up to President at the end of the unexpired term. The presidency shall be filled by ballot at the next annual election.
- (d) In the event that there is no Past President to serve as the 4th member of the Executive Committee, the Board will appoint a 4th member for the Executive Committee from among those directors who have served for at least one year on the Board of Directors.
- (e) If a position is filled from within the Board of Directors, the position thus vacated shall

also be filled by appointment.

(f) At no time shall the Board of Directors consist of fewer than seven (7) members.

Section 6. Removal of Officers and Directors

In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which s/he is 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 20 days or more than 45 days thereafter, a special meeting of the voting membership of the Board 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) A notice of the special meeting shall be provided to all voting members at least 10 days prior to the meeting, and shall be conducted by the President of the Board 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.

Article XII--Meetings

Section 1. General Membership Meetings

The General Membership Meetings of the Board shall be held at a time and place to be designated by the Board of Directors at least two months prior to said meetings.

Section 2. Meeting of Directors

The Board of Directors shall designate a regular time and place of meetings. Absence from three regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation from the Board.

(a) Members wishing to bring a particular topic before the Board of Directors should contact the Executive Officer at least a week prior to the meeting to make arrangements to have the item placed on the agenda.

Section 3. Other Meetings

Meetings of the Members may be held at such other times as the President of the Board of Directors may determine or upon the written request of at least 10 percent of the active Members.

Section 4. Notice of Meetings

Written 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 accompanied by a statement of the purpose of the meeting.

Section 5. Quorum

A quorum for the transaction of business shall consist of 15 percent of the active Members. A quorum for the Board of Directors shall be 51 percent of the elected officers and directors.

Article XIII-Committees

Section 1. Standing Committees

The President shall appoint from among the active members, subject to confirmation by the Board of Directors, the following standing committees and any other committees deemed necessary:

Bylaws
Finance
Grievance
Professional Standards

Section 2. Special Committees

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

Section 3. Appointment of MichRIC Managers Committee

The President shall appoint, subject to the confirmation of the Board of Directors, a MichRIC Managers Committee of three REALTOR® Members. All members of the Committee shall be Participants in Multiple Listing except, at the option of the local Board, REALTORS® (or REALTOR-ASSOCIATES®, where applicable) affiliated with participants may be appointed to serve in such numbers as determined by the local Board. The committee members so named shall serve three-year terms, the original appointment being divided between a one-year term, two-year term and a three-year term. The senior member shall act as chairperson of the committee.

Section 4. Organization

All Committees shall be of such size and shall have such duties and functions as may be assigned to them by the President or the Board of Directors except as otherwise provided in these Bylaws.

Section 5. President and Vice President

The President and Vice President shall be ex-officio members of all standing committees and shall be notified of their meetings.

Section 6. Attendance

Any committee member who fails to attend three (3) successive regular or special meetings of the Committee, without excuse acceptable to the Chairperson shall be deemed to have resigned from the Committee and the vacancy shall be filled by appointment as herein provided.

Section 7. 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.

Section 8. 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.

Article XIV-Fiscal and Elective Year

Section 1.

The fiscal and elective year of the Board 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 Board, its Board of Directors and committees, in all instances wherein its provisions do not conflict with these Bylaws.

Article XVI-Multiple Listing

Section 1. Authority

The Board of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be subject to the Bylaws of the Board of REALTORS® and such Rules and Regulations as may be hereinafter adopted.

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 a procuring cause of the sale (or lease).

Section 3. Participation

Any REALTOR® Member of this or any other Board who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, 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, 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 a Board 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 a Board 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 offer 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)

*****Note: Generally, Boards of REALTORS® when there is more than one principal in a real estate firm, define the chief principal officer of the firm is the MLS "participant." If each principal is defined as a "participant," then each shall have a separate vote on MLS matters. Brokers or salespersons other than principals are not considered "participants" in the Service, but, as subscribers, have access to and use of the Service through the principal(s)with whom they are affiliated.***

Section 4. Supervision

The activity shall be operated under the supervision of the MichRIC Managers Committee, in accordance with the Rules and Regulations, and subject to the approval of the Board of Directors of the Board of REALTORS®.

Section 5. Separation from Brokerage

Within seven (7) days of separation from a brokerage, the separated REALTOR® must remove any and all signage that identifies the REALTOR® with his/her previous brokerage, or show proof that a third party has been notified to do so. A fine of \$10 per day may be imposed for noncompliance.

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 three consecutive regular or special meetings of the Committee, without excuse acceptable to the Chairperson of the Committee, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointees.

Section 8. Access to Comparable and Statistical Information

Board members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, 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 Board members and individuals affiliated with Board 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. Board Members who receive such information, either as a Board service or through the Board's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

Section 9. Subscribers

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

Article XVII—Organized Process of Handling Ethics and Arbitration

Section 1.

Any member or client wishing to file a complaint against a member of the Hillsdale County Board of REALTORS® should contact the Executive Officer.

(a) The Executive Officer shall outline the procedure for filing a complaint according to the parameters set forth in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®.

(b) The Executive Officer shall forward any pertinent forms or materials to the complainant to facilitate the filing of the complaint.

(c) Upon receipt of a written complaint against any member of the Board, the Executive Officer shall notify such committee members and send or file such letters as shall be necessary according to the parameters set forth in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®.

(d) Any complainant who wishes may have access to a copy of the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS® by visiting the Board Office or purchasing the manual from the NATIONAL ASSOCIATION OF REALTORS®.

(e) Filing Fees--When a complaint is forwarded for Arbitration, a filing fee, as set forth in the Board Policy Manual (not to exceed \$500) shall be collected from both the complainant and the respondent.

Article XVIII-Amendments

Section 1.

These Bylaws may be amended by a majority vote of the members qualified to vote during any special election called for the purpose of ratifying such amendments. The substance of each proposed amendment or amendments shall be plainly stated in the call for the election. Votes must be cast by approved ballot, either paper or electronic. The total number of ballots cast must be equal to a quorum (15 per cent) of the Board members eligible to vote, 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.

Notice of all elections at which amendments are to be considered shall be mailed to every member eligible to vote at least one week prior to the election.

Section 3.

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 Board shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

Article XIX-Dissolution

Section 1.

Upon the dissolution of this Board, 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.