

**BYLAWS OF THE
METROPOLITAN CONSOLIDATED ASSOCIATION OF REALTORS®
Effective April 1, 2003**

ARTICLE I

NAME

Section 1. Name

The name of the organization shall be the Metropolitan Consolidated Association of REALTORS®, hereinafter referred to as the Association.

Section 2. REALTORS®

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. The principle office for the transaction of business of the Association shall be designated by the Board of Directors in the area serviced by the Association. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in the service area. Branch offices or subordinate offices may at any time be established by the Board of Directors at any place or places where the Association is qualified to do business.

Section 3. Terms

The National Association of REALTORS® hereinafter will be referred to as the National Association. The Michigan Association of REALTORS® hereinafter will be referred to as the State Association. Throughout these Bylaws and any rules and regulations of the Association, the singular shall include the plural wherever necessary and, one gender shall include any other gender wherever necessary.

Section 4. Authority

No one member, committee, or group may make a commitment on behalf of or speak for the Association without the written authorization of the President or Board of Directors.

Section 5. Policies and Procedures

Appropriate administrative policies and procedures shall be placed into effect to carry out the intent of these Bylaws. The Chief Executive Officer shall maintain a Policies and Procedures Manual which shall be given to the Board of Directors at each annual organization meeting of the Board of Directors.

ARTICLE II

OBJECTIVES

The objectives of the Association are:

Section 1. To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 4. To further the 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, those 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 Association as a member of the NATIONAL ASSOCIATION OF REALTORS® is the following:

Beginning at the intersection of 14 Mile Road and Drake Road, north along the center of Drake Road and its linear extension to a point at the center of Pontiac Trail; thence, easterly along the center of Pontiac Trail to the center of Orchard Lake Road; thence, northerly along the center of Orchard Lake Road to the center of Long Lake Road; thence, easterly along the center of Long Lake Road to the center of Middlebelt Road; thence, northerly along the center of Middlebelt Road to the center of Square Lake Road; thence, easterly along the center of Square Lake Road to the center of Adams Road; thence, northerly along the western boundary of the City of Rochester Hills and of Lakeland Township and of Addison Township to the northwest corner of Addison Township; thence, easterly along the northern border of Addison Township to the northeast corner of Addison Township; thence, south along the easterly border of Oakland County to the center of Eight Mile Road; thence, west along Eight Mile Road to the center of Inkster Road; thence, north along the center of Inkster Road to the intersection of Inkster Road and 14 Mile Road; thence, west along the center of 14 Mile Road to the point of beginning; and

The corporation boundaries of Macomb 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 Association agrees to protect and safeguard the property rights of the NATIONAL ASSOCIATION of REALTORS® in the terms.

ARTICLE IV

MEMBERSHIP

Section 1. There shall be seven (7) classes of Members as follows:

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

(1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, or financing, 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 an Association of REALTORS® within the state or state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV (adopted 03/18/02).

(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 set out in Article V.

(3) Corporate Officers of Qualified Real Estate Franchise Organizations. 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 NATIONAL ASSOCIATION OF REALTORS® 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 Association, the Michigan Association of REALTORS® and NATIONAL ASSOCIATION OF REALTORS®.

(4) 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.

(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 pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

(b) Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of Membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® Membership, subject to payment of applicable dues for such Membership (adopted 03/18/02).

(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 paragraphs (a) and (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association. 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 Association, provided the applicant is engaged exclusively in a specialty of 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 Association, 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) Life Members. Life Membership may be granted to such persons as the Board of Directors may appoint and who, as Members, have a long record of service to the Association and who otherwise qualify as REALTOR® Members with all the rights of a REALTOR® Member and will not be required to pay their individual local annual dues

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 himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, 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 Association, through its Member Services 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 Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Member Services Committee that 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 Association, 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 that if elected to Membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

No record of official sanctions involving unprofessional conduct is intended to mean that the Association 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, and (4) findings of violations of the REALTORS® Code of Ethics resulting in suspension or expulsion from any member Board/Association in which applicant is or was a member.

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, or corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or had 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 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 initiated 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.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, 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 Association or a Designated REALTOR® Member of another Association (if a secondary Member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the 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 examinations thereon as may be required by the Member Services Committee and shall agree in writing that if elected to Membership he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

(c) In applicant for Institute Affiliate Membership shall supply to the Member Services Committee evidence that applicant holds a professional designation awarded by a Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or who otherwise holds a class of Membership in such Institute, Society or Council that confers the right to hold office and shall agree, if elected to Membership, to abide by the Constitution, Bylaws and Rules and Regulations of the Association, the Michigan Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS® (adopted 03/18/02).

Section 3. Election.

The procedure for election to Membership shall be as follows:

(a) Applicants for REALTOR® Membership shall be granted Provisional Membership upon submission of a completed application form, preliminary investigation, 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 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 Association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program), 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 Association's 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 notice, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements, as he 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 Provisional Membership should be terminated, it shall record its reasons with the Secretary. 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. Status Changes

(a) A REALTOR® who changes the conditions under which he holds Membership shall be required to provide written notification to the Association within thirty (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 he has transferred within thirty (30) days of the date he advised the Association of his change in status, his new Membership application will terminate automatically unless the Board of Directors acts to continue the membership.

REALTOR® who is transferring a 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 thirty (30) days of the date the Association is advised of the disaffiliation with the current firm, Membership will terminate automatically unless the Board of Directors acts to continue the membership.

(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.

Section 5. New Member Code of Ethics Orientation

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

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

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS® (adopted 03/18/02).

Section 6. Continuing Member Code of Ethics Training

Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed (adopted 03/18/02).

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 Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws or any Rules and Regulations of the Association not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are neither subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly.

Further, Members other than REALTORS® may, upon recommendation of the Member Services 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 Association, the Michigan Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of Membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 4. Resignations of Members 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 amounts owed.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, Board of Directors may condition the right of the resigning Member to reapply for Membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR® (adopted 03/18/02).

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® 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 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 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 other than a sole proprietor in a firm, partner in a partnership, or an officer of a 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® 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 prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Section 8. Affiliate Members

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

Section 9. Public Service Members.

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

Section 10. Honorary Members.

Honorary Membership shall confer only the right to attend meetings and participate in discussions and shall impose no obligations.

Section 11. Student Members.

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

Section 12. Life Members.

Life Members shall have all rights and privileges as provided in Article IV, Section 1(e).

Section 13. Certification by REALTOR®

"Designated" REALTOR® Members of the Association shall certify to the Association during October on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary Association 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 Association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. 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 thirty (30) days of the date of affiliation or severance of the individual.

Section 14. Sexual Harassment

Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for sexual harassment of an Association employee after a hearing in accordance with the established procedures of the Association. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, President-Elect and/or Vice President and one Member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with counsel for the Association. If the complaint names the President or President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another Member of the Board of Directors selected by the highest ranking officer not named in the complaint.

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, 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 Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, 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 1® 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.

ARTICLE VIII

USE OF THE TERMS 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.

Section 2. REALTOR® Members of the Association 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.

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation 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 of the Association 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 (adopted 03/18/02).

Section 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, or the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX

STATE AND NATIONAL MEMBERSHIPS

Section 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and 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 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 Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall 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 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

DUES AND ASSESSMENTS

Section 1. Application Fee

The Board of Directors may adopt an application fee for REALTOR® Membership in 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 Association upon final approval of the application.

Section 2. Dues

The annual dues of Members shall be as follows:

(a) 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 Sections (1), (2), and (2a) of this Article 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 of 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 board (adopted 03/18/02).

(b) REALTOR® Members. The annual dues of each REALTOR® Member other than a principal, partner or corporate officer shall be in such amount as established annually by the Board of Directors. Notwithstanding the foregoing, the annual dues for each REALTOR® Member for fiscal years 2002, 2003 and 2004 shall be seventy-five dollars (\$ 75.00) per year.

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS® NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$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.

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

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

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

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

Section 3. Dues Payable

Dues for all Members shall be payable annually in advance on the first day of October. Dues shall be computed from the date of application and granting of provisional membership and be prorated for each remaining quarter of the year.

In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the designated REALTOR's firm, the dues obligation of the "Designated REALTOR®" will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 4. Nonpayment of Financial Obligations

If dues, fees, fines, or other assessments including amounts owed to the Association are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, Membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, Membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his Membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for Membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Reinstatement.

(a) A member who has had his/her membership suspended for nonpayment of dues, fees, fines, charges or other assessments for services duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may be reinstated upon remittance of all accounts due as of the date of suspension plus a reinstatement fee.

(b) A member who has had her/his membership terminated for nonpayment of dues, fees, fines, charges or other

assessments for services duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement only upon a new application for Membership accompanied by remittance of appropriate application fee. Current year dues shall not be prorated upon reinstatement.

Section 6. Deposits

All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions or U.S. Government securities selected by resolution of the Board of Directors.

Section 7. Expenditures

The Board of Directors shall administer the day-to-day finances of the Association. Unbudgeted capital expenditures and/or commitments in excess of \$100,000, unless otherwise provided in these bylaws, may not be made unless authorized by 2% of the Association Members eligible to vote.

Section 8. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members

All dues, fees, fines, assessments, or other financial obligations to the Association or Association Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

ARTICLE XI

OFFICERS AND DIRECTORS

Section 1. Officers

The officers of the Association shall be: a President, a President-Elect, a Vice-President and a Secretary/Treasurer, the latter three being elected for a one (1) year term from and by the Board of Directors at its organizational meeting following each annual election. The President-Elect shall automatically become President of the Association in the year immediately following his year of service as President-Elect. At the organizational meeting, the current and newly elected Board of Directors shall have full voting rights.

Section 2. Resignation

Any Officer may resign at any time by giving written notice to the Board of Directors, to the President or the Secretary of the Association. Such Resignation shall take effect upon acceptance of the Board of Directors.

Section 3. Chief Executive Officer

The Chief Executive Officer shall be appointed by the Board of Directors and may, at the determination of the Board of Directors, serve under a written contract with the Board of Directors. The Chief Executive Officer shall plan, direct and supervise the professional and clerical employees of the Association and administer the budget in conjunction with the Treasurer. The Chief Executive Officer shall be the principle liaison officer with other local real estate associations, State Association and National Association. The Chief Executive Officer may serve under a written contract, provided such contract not be for a period exceeding seven years. The Chief Executive Officer must attend all Board of Directors meetings unless excused by the Board of Directors. The Chief Executive Officer shall be an ex-officio member of the Executive Committee.

Section 4. Directors

Subject to the limitations in the Articles of Incorporation, of the Bylaws and the Michigan General Corporation Law as to the action to be authorized or approved by the members, and subject to the duties of the Directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business affairs of the Association shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers:

- (a) To select and remove all Trustees, Agents, Independent Contractors and employees of the Association, prescribe such powers and duties for them as are consistent with law, the Articles of Incorporation and the Bylaws, fix their compensation or assign that duty to the Chief Executive Officer, except that the compensation of any officer must be approved by the Board of Directors.
- (b) To conduct, manage and control the affairs and business of the Association, and to make such rules and regulations therefore consistent with law, the Articles of Incorporation and the Bylaws as they deem best.
- (c) To change the principle office for the transaction of the business of the Association from one location to another as provided in Article I, hereof; and to fix and locate from time to time one or more subsidiary offices of the Association.
- (d) To borrow money and incur indebtedness for the purposes of the Association, and to cause to be d and delivered therefore, in the corporate name, promissory notes, bonds, debentures, execute deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefore.
- (e) To make donations for the public welfare or for charitable, scientific or education purposes.
- (f) In the event of a dispute regarding the application or execution of Association policy or Board of Directors actions, the matter shall be reviewed and determined by the Board of Directors.

Section 5. Duties of 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. It shall be the particular duty of the Secretary to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the Michigan Association of REALTORS®. The officers shall also serve as the Executive Committee of the Association.

Section 6. Board of Directors

For 2002, the Board of Directors of the Association shall consist of all members of the board of directors of both the Birmingham Bloomfield Rochester South Oakland Association of REALTORS® and the Macomb County Association of REALTORS®, all of whom shall serve for the remainder of their terms. For 2003, there shall be elected a sufficient number of Directors to fill Director's positions that arise, such that the Board of Directors of the Association shall consist of a total of twenty (20) Directors. For 2004, there shall be elected a sufficient number of Directors to fill Director's positions that arise, such that the Board of Directors of the Association shall consist of a total of sixteen (16) Directors. For 2005 and for each year thereafter, there shall be elected a sufficient number of Directors to fill Director's positions that arise, such that the Board of Directors of the Association shall consist of a total of twelve (12) Directors. All Directors elected pursuant to this Section 3 shall be elected for a three (3) year term. If any Director serves two consecutive three year terms, she/he will not be eligible for another term until one year has elapsed since her/his last term as a Director. Directors with terms expiring may be elected as an officer of the Association and deemed to have met this requirement. The Immediate Past President shall serve an additional year as a member of the Board of Directors.

Section 7. Election of Directors

(a) At least ninety (90) days before the annual election, a Nominating Committee of six (6) REALTOR® Members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select candidates for available Board of Director positions. A candidate for a Director Position must have been an MCAR member for a minimum of one year and NAR a minimum of three years both immediately preceding the nomination beginning for a term as a Director and, must have served on a committee, task force or other Association approved or appointed group. The Nominating Committee, when selecting candidates for directorships shall use its best efforts to achieve equitable geographic representation of the Association's Membership by its Directors. In order to implement this policy, in selecting candidates for Director's positions as they arise, the Nominating Committee shall consider the geographic concentrations of its Members as it relates to the geographic locations of the Association's Directors. Before the report of the Nominating Committee is delivered to each member eligible to vote, the committee will have interviewed all slated candidates for the available Board of Director position. The submitted report, upon acceptance of the Board of Directors, shall be delivered at least sixty (60) days preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least two percent (2%) of the REALTOR® Members eligible to vote. The petition shall be filed with the Secretary at least forty-five (45) days before the date of the election. Members nominated by the Nominating Committee and those placed on the ballot through the petition process shall not be differentiated on the ballot.

- (b) At least thirty (30) days before the Annual Meeting an official ballot shall be conveyed to each REALTOR® Member in the manner prescribed by the Board of Directors.
- (c) Each elector must vote for no more than the number of directorships to be filled
- (d) Only those ballots shall be counted which are received at the Association office by 5:00 p.m. on the day preceding the Annual Meeting. Nominees receiving the highest number of votes in their respective order, in line with the number of directorships to be filled in each category shall be deemed elected.
- (e) The results of balloting for election of Directors shall be announced at the Annual Meeting.
- (f) The President, with the approval of the Board of Directors, shall appoint an Election Committee of three (3) REALTOR® Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.

Section 8. Vacancies

Vacancies among the Officers and the Board of Directors shall be filled by appointment of the President with approval by a simple majority vote of the Board of Directors until the next annual election.

Section 9. Removal of Officers and Directors

In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure.

- (a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting Membership or a majority of all Directors shall be filed with the Chairperson, or if the Chairperson 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 Chairperson of the Association unless the Chairperson'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 10. Special Meetings

Special Meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President or if he/she is absent, unable or refuses to act, by a majority of the Directors. Written notice of the time and place of special meetings shall be delivered personally to each Director by mail, e-mail, fax, or other form of written communications, charges prepaid, addressed to the Director at his/her address as it is shown upon the records of the Association. Notice by mail shall be sent first class and deposited at least four days before the date of the Special Meeting. In the case of notice by personal delivery, the notice shall be delivered to the Director at least forty eight (48) hours prior to the Special Meeting.

Section 11. Quorum

A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or the Articles of Incorporation.

Section 12. Fees and Compensation

Directors and members of committees may not receive compensation for their services, unless such compensation is fixed and determined by resolution of the Board of Directors.

Section 13. Delegates

The Delegate and the Alternate Delegate of the Association to the NATIONAL ASSOCIATION OF REALTORS® shall be the Association's President and President-Elect, respectively. The Delegates to the Michigan Association of REALTORS® shall be the President and President-Elect.

Section 14. NAR Directors

The Board of Directors shall appoint Directors to the National Association of REALTORS®, the number of which shall be determined by policy by the National Association of Realtors.

ARTICLE XII

MEETINGS

Section 1. Annual Meetings

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

Section 2. Meetings of Directors

The Board of Directors shall designate a regular time and place of meetings. Absence from three (3) regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation.

Section 3. Other Meetings

Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least five percent (5%) of the Members eligible to vote

Section 4. Notice of Meetings

Written notice shall be given to every Member entitled to participate in the meeting at least one (1) 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 two percent (2%) of the Members eligible to vote.

ARTICLE XIII

COMMITTEES

Section 1. Standing Committees

The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors such standing committees as are necessary to meet minimum Board standards criteria.

Section 2. Executive Committee

The Executive Committee shall be subject to the same directives which govern the Board of Directors and shall be advisory to the directorate and the President. It shall conduct the affairs of the Association in accordance with the policies and instructions of the Board of Directors. The Executive Committee shall meet at the call of the President. The Executive Committee shall have the authority to act on behalf of the Association when required between Directors meetings. All actions taken by the Executive Committee on behalf of the Association which, except due to urgency, would normally be Directors' actions, shall be reported at the next Board of Directors meeting. The Executive Committee shall be composed of the following voting members: President (Chair), President-Elect, Vice President, Treasurer and the Immediate Past President. Included on this committee shall be the Chief Executive Officer as a non-voting member.

Section 3. Special Committees

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

Section 4. Organization

All committees shall be of such size and shall have duties, functions, and powers as assigned by the President of the Board of Directors except as otherwise provided in these Bylaws.

Section 5. Chairperson

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

Section 6. Committee Quorum

A quorum for the transaction of business at a committee meeting shall consist of four committee members on committees of ten (10) or less and forty percent (40%) of the committee members on committees of eleven (11) members or more. A quorum for the Executive Committee shall be seventy five percent (75%).

Section 7. Indemnification of Committee Members

The Association shall 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 by reason of the fact that he or she is or was a committee member against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if the person acted in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Association and its Members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that the conduct was unlawful.

ARTICLE XIV

FISCAL AND ELECTIVE YEAR

Section 1. The fiscal year of the Association shall be November 1 to October 31.
The elective year of the Association shall be January 1 to December 31.

ARTICLE XV

RULES OF ORDER

Section 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Association, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI

AMENDMENTS

Section 1. These Bylaws may be amended by the majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by National Association of REALTORS® policy.

Section 2. Power of Directors

Subject to the right of members as provided in section 1 of this article to adopt, amend or repeal Bylaws, the Board of Directors may adopt, amend, or repeal the Bylaws except in any of the following cases:

(a) Any Bylaw amending Article IV, VI, VIII, XI, XII, XVI.

Section 3. Except as provided in Article IX, these Bylaws may be amended by either of the following methods.

(a) By a majority vote of the REALTOR® Members present and qualified to vote at any meeting at which a quorum is present provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting. Notice by first-class mail of all meetings at which such amendments are to be considered shall be sent to every REALTOR® Member at least ten (10) days prior to the time of the meeting.

(b) By mail ballot of the REALTOR® Members in good standing. The substance of the proposed amendment shall be mailed to every REALTOR® Member at least twenty (20) days prior to the deadline for balloting. Said deadline shall be established by action of the Board of Directors. A ballot shall be included in such mailing. Mailing by first-class mail shall constitute delivery of said ballot. Only those ballots shall be counted which are received at the Association office by the deadline date established by the Board of Directors and noted on the ballot. An amendment shall be considered adopted if a majority of the ballots received at the Association office are cast in favor of the amendment, provided at least ten (10) percent of the ballots are received.

Section 4. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVII

DISSOLUTION

Upon the dissolution or winding up of affairs 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 XVIII

INDEMNIFICATION

The Association shall 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, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director or officer of the Association against expenses (including attorney's fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if the person acted in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Association and its Members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that the conduct was unlawful.

Revised 1-6-03 WTB

Article 11/Section 7 Revised 8-7-06 WTB