

**BYLAWS OF THE
NORTH OAKLAND COUNTY BOARD OF REALTORS®, INC.**

ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the North Oakland County Board of REALTORS®, Incorporated, hereinafter referred to as the "Board."

Section 2. 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.

ARTICLE II - OBJECTIVES

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: The Townships of Brandon, Groveland, Holly, Independence, Orion, Oxford, Rose, Springfield, Waterford, Cities or Villages of Auburn Hills, Clarkston, Holly, Keego Harbor, Lake Angelus, Lake Orion, Ortonville, Oxford, Pontiac, Sylvan Lake and all those portions of Bloomfield and West Bloomfield Townships lying north of the center of Square Lake Road between Middlebelt and Adams Roads, west of the center of Middlebelt Road between Square Lake and Long Lake Roads, and north of the center of Long Lake Road and Pontiac Trail, except the westerly two miles of West Bloomfield Township.

Section 2. Territorial jurisdiction is defined to mean:

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

ARTICLE IV - MEMBERSHIP

Section 1. There shall be four 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, 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 as described in Article IV, Section 1 (b).

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 office 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 Article IV, Section 1 (b).

(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, Section 2 (b).

(3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) Except: obligations related to Board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; 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 or branch office manager 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 pursuant to Article 17 of the Code of Ethics and the payment of Board 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.

(6) The current President of the Michigan Association of REALTORS® shall be a member in good standing without further payment of dues. The State Association President may serve as the accredited alternate voting delegate at the Annual Meeting of the members of the National Association of REALTORS® & in the event the local delegate is unable to attend.

(b) **Institute Affiliate Members.** Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to

hold REALTOR® membership, subject to payment of applicable dues for such membership.

(c) **Affiliate Members.** There shall be two (2) classifications of Affiliate Members, which 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 interest requiring information concerning real estate, and are in sympathy with the objectives of the Board. The two (2) classifications of Affiliate Members are: (1) Primary Affiliate and (2) Secondary Affiliate. Primary Affiliate Members shall be licensed or certified in a real estate related field.

(d) **Senior Members.** A Member or former Member who because of his past service to the Board is granted this classification by the Board of Directors. A Senior Membership may be granted upon application to the Board of Directors to those no longer active in the real estate business as a REALTOR®. Including a Member who would qualify as an Honorary Member of the National Association.

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 of membership to be thoroughly familiar with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Board, State and National Associations, and if elected a Member, will abide by the Constitutions, Bylaws, and the 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 and Regulations, and Code of Ethics referred to above.

The Board will also consider the following in determining an applicant's qualifications for REALTOR® membership:

1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years
2. Pending ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitration requests (or hearings)
5. Unpaid arbitration awards or unpaid financial obligation 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 provided all other qualifications for membership have been satisfied.) The Board may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established

procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 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 Membership Committee that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker, associate broker, or salesperson's license or is licensed and/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 State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and non-discriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

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

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

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

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

(b) Individuals who are actively engaged in the real estate profession other than as 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 Board or a Designated REALTOR® Member of another Board (if a secondary member), and must maintain a current, valid real estate broker, associate broker, or salesperson's license or be licensed and/or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, the Bylaws of the State Association, and the Constitution, Bylaws, and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall pass such reasonable and non-discriminatory written examinations thereon as may be required by the Membership Committee and shall agree in writing that if elected to membership, (he/she) will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Board, State Association, and the National Association.

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

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

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

SECTION 3. Election.

The procedure for election to Membership shall be as follows:

(a) The Membership Committee shall determine whether the class of membership for which applicant is applying is one for which (he/she) would be eligible if otherwise possessing the qualifications of membership. If it so determines, it shall give written notice to the Members of such application and invite written comment thereon. If one or more Members object to the approval of the applicant, basing such objection on lack of qualification as set forth in these Bylaws, the Committee shall invite any objecting Member to appear and substantiate objections. Objections which are not substantiated shall be totally disregarded. The Committee may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting Member, and (2) giving the applicant a full opportunity to appear before the Committee and establish (his/her) qualifications. The Committee shall thereafter make a written record of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Board.

(b) Thereafter, within 10 days, the Membership Committee shall report its recommendations to the Board of Directors in writing. If the recommendation is adverse to the approval of the application, the reasons shall be specifically stated. If any Member of the Membership Committee submits a dissenting recommendation, it shall also be transmitted to the Board of Directors.

(c) The Board of Directors shall review the qualifications of the applicant and the recommendation of the Committee and then vote on the applicant's eligibility for membership. If applicant receives a majority vote of the Board of Directors, (he/she) shall be declared elected to membership and shall be so advised by notice in writing.

(d) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings and recommendations of the Membership Committee, 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 written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(e) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Secretary. If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of applicant.

SECTION 4. New Member Code of Ethics Orientation.

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

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

SECTION 5. 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.

Members suspended for failing to meet the requirement for the first four (4)-year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership.

Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four ((4)-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 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 30 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.

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 as 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® Members may, upon recommendation of the Membership 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 local Board, State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. REALTOR® Members

(a) 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

(b) If REALTOR® Member is a sole proprietor/principal 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 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.

(c) Resignation 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.

(d) If a Member resigns from the Board or otherwise causes membership to terminate with an ethics complaint pending, the 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. 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®.

(e) REALTOR® members, whether primary or secondary, 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; 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, interest, and welfare of the Board and the real estate profession.

Section 4. Institute Affiliate Members. Institute Affiliate Members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS.

Section 5. Affiliate Members. Primary Affiliate Members shall have such privileges and rights, including voting, and be subject to such obligations as may be prescribed by the Board of Directors. Secondary Affiliate Members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors.

Section 6. Senior Members. Senior Members shall have all the rights of their prior membership classification except the right to vote or hold office, and the use of the term REALTOR®.

Section 7. Certification by REALTOR®. "Designated" REALTOR® Members of the Board shall certify to the Board on or before December 31st, on a form provided by the Board, a complete listing of all individuals licensed or certified with the REALTOR®'s firm(s) and shall identify the primary Board. "Designated" REALTOR® Members shall also notify the Board of any additional individual(s) licensed with the firm(s) within 30 days of the date of affiliation or severance of the individual.

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, Bylaws and the Rules and Regulations of the Board, the Constitution and Bylaws of the State Association, and 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.

Section 3. The responsibility of the Board and of Board members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Board, which by this reference is made part of these Bylaws.

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 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.

Section 2. 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.

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® or Institute Affiliate Members. As described in Section 1 (b) of article IV.

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer or branch office manager of the firm, partnership or corporation holds REALTOR® membership. If a firm, partnership or corporation operates additional places of

business in which no principal, partner, corporate officer or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIP

Section 1. The Board shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and of 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, 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 Board adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce that Code among its REALTOR® Members. The Board 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, FEES AND FINANCES

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, 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. This application fee may be waived in exceptional circumstances by majority vote of the Board of Directors.

Section 2. Annual Dues. Dues for REALTOR® Membership of this Board shall be established by the Board of Directors subject to approval by a majority of Members present at a Membership meeting.

(a) REALTOR® Dues Computation. The annual dues of each Designated REALTOR® Member shall be in an amount established as per Section 2 above for REALTOR® Member plus an additional amount established as per Section 2 above times the number of real estate salespersons, associate brokers, licensed and/or certified appraisers who (1) are employed by or affiliated as independent contractors, 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 Section 2(a) (1) and (2) 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 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 Designated REALTOR® in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Board.

(b) 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®.

(c) Affiliate Members. The annual dues of the Primary Affiliate Member shall be equal to that of REALTOR®

Members. The annual dues of the Secondary Affiliate Member shall be determined by the Board of Directors from time to time.

(d) Senior Members. The annual dues of each Senior Member shall be determined by the Board of Directors from time to time.

(e) For the purpose of this Section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section I, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

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

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

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance on the first day of January. New Member's dues shall be prorated to the next annual or semi-annual dues billing of the Board and shall become due on the date their membership begins. Dues for the Designated REALTOR® shall be increased by the number of persons who do not become Members of the Board, but are licensed and/or certified to a Designated REALTOR® Member and shall be prorated as above from the date their license is granted by the State of Michigan.

Section 4. Non-Payment of Dues.

If the annual dues are not received in the Board office by 4:30 p.m. on the last working day of January, membership shall automatically terminate provided two (2) dues notices have been mailed to each Designated REALTOR® Member prior to the above indicated day.

(a) Membership services shall automatically terminate for nonpayment of all other membership obligations within 30 days of due date.

Section 5. Reinstatement. A former Member whose membership has terminated for any reason, may apply for reinstatement in the manner prescribed for new applicants for membership, after making payment in full of all accounts that were in arrears at time of termination.

Section 6. Deposit. All monies 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. Legal Action Program. For the purpose of funding the legal action program each Member Board shall collect annually on behalf of the State Association an assessment equal to \$3.00 from each of its Members. When the fund reaches an amount of \$250,000, commencing the following fiscal year the annual assessment shall be discontinued until such time as the fund is reduced to an amount of \$150,000, at which time it will be automatically re-instituted on the next annual billing.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The elected Officers of the Board shall be: a President, a President-Elect, a Secretary and a Treasurer. The Secretary and Treasurer may be the same person. They shall be elected for terms of one year.

Section 2. 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. The President-Elect shall perform; the duties of the President in the event of his absence or disability and shall have such other powers and duties as may be prescribed by the Board of Directors. The President-Elect shall succeed to the office of President. If the office of the President should become vacant between elections, the President-Elect shall fill the vacancy and complete the un-expired term. The President-Elect who fills a vacancy in the office of President shall automatically become President for a full term after completion of the un-expired term. It shall be the particular duty of the Secretary 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®.

Section 3. Board of Directors.

The governing body of the Board shall be a Board of Directors consisting of the elected officers, twelve REALTOR® Members of which at least four shall be Principal broker and/or owner Members, one Affiliate Member. In addition to the above, the immediate past President of the Board, the local Directors of the Michigan Association of REALTORS®, the two members of the Michigan Association of REALTORS® Delegate Body, and the current President of the Women's Council of REALTORS®.

A volunteer director of the Association shall not be personally liable to the Association or its Members for monetary damages for a breach of the volunteer director's fiduciary duty, except for liability:

- (a) For a breach of the volunteer director's duty of loyalty to the Association or its Members;
- (b) For acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (c) For a violation of Section 551(a) of the Michigan Nonprofit Corporation Act;
- (d) For a transaction from which the volunteer director derived an improper personal benefit; or
- (e) For an act or omission that is grossly negligent.

Section 4. Election of Directors and Officers.

(a) Directors shall be elected to serve for a term of three (3) years with the exception of the Affiliate Member Director whose term shall be one year, and shall take office January first following their election. The election of Directors shall take place at either the annual meeting or within ten (10) business days prior to the annual meeting at the offices of the North Oakland County Board of REALTORS®. Election shall be by secret ballot and all votes shall be cast in person. The outcome of the election shall be determined by a plurality vote. Voting at the Board office shall take place within normal business hours. To vote, an eligible voting member shall present their pocket card which must correspond with the current membership roster. The voting member shall be presented with a numbered ballot, which shall contain the names of all candidates and the offices for which they are nominated, and will be identified as recommended by the Nominating Committee or by petition. Director applications shall accompany ballots. The completed ballot shall be deposited in a locked receptacle. There shall be no nominations accepted from the floor.

(b) Prior to voting, the Board's President shall appoint three (3) tellers and three (3) alternate tellers. The ballots cast at the Board office shall be counted by the appointed tellers and/or alternate tellers between 5:30 p.m. on the day prior to and the commencement of the annual meeting.

(c) Nominations for the Board of Directors may be by petition with signatures of twenty-five (25) REALTOR® members of NOCBOR. Petitions must be submitted at the NOCBOR office at least five (5) business days prior to voting. An application for Director position must accompany the petition.

(d) The election of Officers and the two (2) members of the MICHIGAN ASSOCIATION OF REALTORS® Delegate Body shall take place at the first regularly scheduled Board of Directors meeting immediately following the

Annual meeting and they shall take office January first following their election. The terms of the MICHIGAN ASSOCIATION OF REALTORS® Delegate shall be concurrent with the MICHIGAN ASSOCIATION OF REALTORS®.

Section 5. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by the Board of Directors for the unexpired term of the office vacated.

Section 6. Executive Vice President. The Board of Directors may elect to employ an Executive Vice President who shall be appointed by the Directors. The Executive Vice President shall be chief administrative officer of the Board, subject to the Board of Directors. The Executive Vice President shall have supervision of the entire staff, perform such duties as may be delegated by the Board of Directors and all other duties usual to such office.

ARTICLE XII - Meetings

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

Section 2. Meetings of the Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from three (3) regularly scheduled monthly meetings within any twelve (12) month period; or absence from two (2) regularly scheduled bi-monthly meetings within any twelve (12) month period shall be construed as resignation therefrom. Any meetings of the Board of Directors other than the regularly scheduled meetings shall be exempt from the above attendance requirements.

Section 3. Other Meetings. Meetings of the Members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least ten percent 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 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 majority of the Directors shall constitute a quorum in meetings of the Board of Directors. A quorum for the transaction of business at the General Membership Meeting, other than the election of Directors, shall consist of 7% of the Members eligible to vote.

Section 6. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means.

ARTICLE XIII - COMMITTEES

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

- Bylaws
- Equal Opportunity in Housing
- Executive
- Grievance
- Membership Services
- Orientation & Education
- Professional Standards & Arbitration

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, such special committees as deem necessary.

Section 3. Organization. All committees shall be of such size and shall have such duties, functions and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these Bylaws.

Section 4. Nominating Committee.

(a) The Nominating Committee shall be composed of seven (7) Members and they shall be the two (2) preceding active past presidents, with the most immediate past President serving as chairperson, and five (5) REALTOR® Members. The REALTOR® Members shall be duly nominated and elected by the General Membership at the annual meeting, and the five (5) elected Members shall serve for a period of one year each. REALTOR® Members elected to serve shall agree not to seek or accept election to any of the positions or to accept awards upon which they will be rendering a decision.

(b) It shall be the duty of the Nominating Committee to meet at least thirty (30) days before the annual meeting, and choose a candidate or candidates for each vacancy that will occur on the Board of Directors. The chairperson of the committee shall report to the President in a timely fashion the candidate or candidates so chosen.

(c) It shall be the duty of the Nominating Committee to meet again, immediately after the annual meeting and at least ten (10) days prior to the next regularly scheduled Board of Directors meeting, to select at least one candidate for each elective office. Immediately following such meeting, the chairperson shall inform the President of the candidates so chosen.

Section 5. President. The President shall be ex officio Member of all standing committees and shall be notified of their meetings.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1. The fiscal year of the Board shall be November 1st to October 31st.

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 provision do not conflict with these Bylaws.

ARTICLE XVI - AMENDMENTS

Section 1. These Bylaws may be amended by a 2/3 vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of each proposed amendment or amendments shall be plainly stated in the call for the meeting.

Section 2. Notice of all meetings at which such amendments are to be considered shall be given to every Member at least one week prior to the time of meetings.

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 by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVII - 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.

ARTICLE XVIII – MULTIPLE LISTING

Section 1. Authority. The Board of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the state of Michigan, the stock of which shall be owned in part by the North Oakland County Board of REALTORS®.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

Section 3. Governing Documents. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its corporate charter, constitution, bylaws, rules, regulations and policies, practices and procedures at all times to the Constitution, Bylaws, Rules, Regulations and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Participation. Any REALTOR® member of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval within thirty (30) days after access has been provided. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and are capable of offering and accepting 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.

Section 5. Comparable Statistics. 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, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of 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 6. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed certified appraisers affiliated with Participants.

ARTICLE XIX - EDUCATION

Section 1. Education. The Board of Directors, as it deems necessary, may require that REALTOR® Members and Affiliate Members attend educational programs comprised of not more than six (6) cumulative hours of instructions with respect to Board or Member practices that might result in a significant legal vulnerability and possible liability to the Board and/or its Members, such as violations of anti-trust laws, agency laws, civil rights, the Code of Ethics of the National

Association, or other similar public policies. Such requirement is not an inequitable limitation upon membership.

(October, 2009)