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2016 ANNUAL MEETING
WEDNESDAY, OCTOBER 26, 2016**

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ANNUAL MEETING – OCTOBER 8, 2015

The Annual Meeting of Broker and Certified Appraiser Members of the Grand Rapids Association of REALTORS® was held on Thursday, October 8, 2015, at 1:00 p.m. at the Watermark Country Club Banquet Facility located at 1600 Galbraith Ave. SE, Grand Rapids, Michigan.

PRESENT: 130 voting members were present at the point the meeting was called to order, which constituted a quorum. Additional members entered thereafter.

President Hoppough called the meeting to order at 12:45 p.m.

Karla Huitsing offered the invocation and Dave DeBruyn lead those present in the Pledge of Allegiance.

Lucas Howard, Secretary, announced that a quorum was present.

President Hoppough explained the nomination procedures for the advisory vote for 2016 President-Elect.

President Hoppough called for nominations for the office of 2016 President-Elect.

The name of Adam Paarlberg was placed in nomination.

It was moved and supported that nominations be closed, and that a unanimous ballot be cast for Adam Paarlberg for the office of 2016 President-Elect. Motion carried.

President Hoppough introduced the 2015 Board of Directors and the newly elected 2016 Directors.

President Hoppough introduced Gene Szpeinski, 2015 MI Realtors President. Gene provided an update on the MI Realtors.

Cathy Hoppough, Dale Stuckey, and Julie Rietberg provided an Association update which included but was not limited to the following items:

- Association Strategic Intent
- Member Communications
- Organization Issues – establishment of inaugural chapters within GRAR
- Programming – changes in Con Ed, IREP Certification, CIPS Designation Course, GRARLA, REBar Camp, YPN Advisory Council Events, Hello West Michigan Collaborative event, and Legal Update
- Membership Number & Finance
- MLS Update – Bill of Right contract with Zillow, changes to MLS policies, establishment of Task Force regarding team issues, establishment of Non-MLS Transactions Task Force
- Professional Standards and Grievance
- Government Affairs & RPAC
- Reminder for the Annual Awards Breakfast on December 11, 2015

It was moved and supported to waive the reading of the proposed amendments to the GRAR Bylaws (see attached) and to approve the amendments as written.

It was moved and supported to amend the motion that Section 14.4 (c) of the Bylaws be amended as follows

(c) **Professional Standards Committee:** The Professional Standards Committee shall be composed of ~~fifty-one (51)~~ **thirty-six (36)** REALTOR® members in good standing. ~~Not less than twelve (12) of these members shall be members primarily engaged in the brokerage of commercial/industrial real estate, and n~~ ~~Not less than~~ **three (3)** ~~six (6)~~ of these members shall be members who are primarily engaged in the appraisal business. Appointments made to replace committee members upon the expiration of their terms shall be for terms of three (3) years each. Any person who has been appointed for a three-year term shall not be eligible to serve again until a period of one year has elapsed after expiration of his or her term; provided, however, in the event the term of service has expired for the then Vice-Chairperson who automatically becomes Chairperson, then that person shall serve an additional one (1) year term on the Committee and shall be the ~~fifty-second (52)~~ **thirty-seventh (37)** member of the committee.

The amendment to the motion was carried and the main motion as amended was carried.

The meeting was adjourned at 1:30 p.m.

Lucas Howard, Secretary



PROPOSED BYLAW AMENDMENTS

*For consideration at the 2016 Annual Meeting
of the Broker & Certified Appraiser Members*

The proposed Bylaw amendments have been grouped into two categories:

1. Minor changes to bring our bylaws current with NAR's mandatory language. These changes are in **red font**. New language is **underlined**, old language is **~~crossed through~~**.
2. Two proposed changes that are more significant in nature are in **blue font**. Again, new language is **underlined**, old language is **~~crossed through~~**. Please see pages 4 through 6 that follow for the rationale for these changes concerning:
 - a) A proposed modification to the Professional Standards appeal process; and
 - b) Proposed changes to the composition of the Board of Directors.

Even though not all of the sections contain amendments, a great many of them have language revisions, so we have included a complete set of the proposed Bylaws for your review which can be found on pages 7 through 36.

Explanation and Rationale for the Proposed Modification of the Professional Standards Appeal Process

*(A recommendation that professional standards appeals be heard
by the Board of Directors rather than an Appellate Committee.)*

Nearly two decades ago, GRAR changed its Bylaws to provide for appeals of decisions made by the Professional Standards hearing panels to be heard by a panel of members of a newly-created Appellate Committee, rather than by the Board of Directors. Although the number of appeals is minimal, we have found it increasingly difficult to assign members to the Appellate Committee and subsequently to appellate panels for the reason that there are restrictions on who can serve on the Appellate Committee and subsequently on appellate panels.

To illustrate the issue, imagine there are two member firms that bring a dispute to the Professional Standards Committee. A hearing panel comprised of six members of the Professional Standards Committee is assigned to hear the case. Not more than one member from the same firm can serve on a hearing panel at the same time and, to avoid conflict-of-interest, no member of the hearing panel can be from the same firm as the parties to the complaint.

The matter is heard and the member found guilty of a violation of the Code of Ethics appeals the decision and/or the discipline. The Appellate Committee must now appoint at least 7 members of the committee (six to serve as panel members, one as an alternate), out of a total of 12 members, who are not affiliated with the firms of the parties to the complaint and, additionally, who are not affiliated with the firms of any of the original hearing panel members. This restricts the number of individuals who can be appointed to the Appellate panel.

One could perhaps argue that this could be resolved by increasing the size of the Appellate Committee, but we have been struggling with filling the existing Appellate Committee positions with members who qualify to serve since they cannot already be serving on either the Grievance or Professional Standards Committees, and they must have been a chair, vice chair, or member of the Review Board, and have had at least 3 years of experience on the committee.

As the Directors pondered this issue, they were also cognizant of the fact that the NAR Professional Standards model procedures (which are made available to local associations but does not require mandatory adoption) recommend that appeals be heard by the association's Board of Directors.

For these reasons, we would propose that appeals of professional standards decisions be heard by the GRAR Board of Directors.

Explanation and Rationale for the Proposed Modification to the Composition of the GRAR Board of Directors

Following the special meeting of the voting members this past January, President Stuckey appointed a special task force to study the current make-up of the Board of Directors and determine whether or not a recommendation for change should be made.

There are many options that can be considered when determining representation on the Board, including geographic location, size of companies, license type, appointed or elected, etc. The Task Force considered all of these options and more. They also researched our history of Board representation – how it changed and why it changed. Following is an overview of some of the research and conclusions made by the Task Force:

- Many REALTOR associations employ the use of a nominating committee where candidates are required to apply to the committee and go through a screening and interview process. Their name might or might not end up on the ballot. It seems to be a process favored by few and perceived by many as unfair, and it tends to dampen the number of members willing to apply. GRAR is unique in its use of a democratic system where all members are eligible to run for the Board within categories. As an option, GRAR members can also complete a voluntary resume form that is published to the voting members.
- Some REALTOR associations determine make-up of its Board of Directors by geographic location. This seemed to be the case where the associations were exceedingly large, covering a much more widespread area, with hundreds of members in each of the geographic locations. GRAR recently formed membership chapters based on geographic locations, but it was determined that Director representation based on these locations was not optimal at this time since the chapter concept is still in the developmental stage, and some chapters are comprised of fewer than 50 members. Additionally, history has shown that members from the areas now served by the chapters have been successfully elected to the Board of Directors, so geographic location hasn't proven to be an obstacle to getting elected.
- Many REALTOR associations, similar to GRAR, use variations on the theme of 'dedicated' seats on the Board to represent large firms, broker/owners of companies, etc.
- In its early days, the GRAR Board of Directors was comprised primarily of broker-owners since most members did not strive to obtain a broker or associate broker license unless they were intending to open their own firm. As the years progressed, salespersons began obtaining associate broker licenses for purposes other than starting their own company. Over several decades, this has slowly caused an evolution of the composition of the Board since non-owner broker members are elected within the same category as members who are broker-owners. There was consensus at the Task Force table that there could be a difference of perspective from time to time from a Director who owns his/her own firm vs. a Director who is an associate broker who spends full time listing and selling real estate but does not own or manage a company. This is neither a good thing nor a bad thing – more of an observation on the part of the Task Force members.
- In the current GRAR Director election for members licensed as brokers or certified appraisers, there are 556 members eligible to vote. Out of that number, over 60% are licensed with companies that have 5 or fewer members.
- The top 6 firms represent 41.2% of the total membership.

Following hours of research and consideration by both the Task Force members and the Board of Directors, a recommendation was made to modify the composition of the Board of Directors as follows:

EXISTING	PROPOSED
One (1) Director representing the top 7 firms, serving a one year term.	Two (2) Directors representing the top 6 firms, serving 3-year staggered terms.
Nine (9) Directors representing the broker and certified appraiser members, serving 3-year staggered terms.	<p>Three (3) Directors representing the Designated REALTORS (DR) and Designated Appraisers (DA)</p> <p>Three (3) Directors representing the broker, associate broker and certified appraiser members.</p>
Three (3) Directors representing the salesperson and licensed appraiser members, serving 3-year staggered terms.	Same – no change.
No more than 2 members of the same firm shall serve simultaneously, except that this limitation shall not apply to the Director position occupied by the Large Firm Director, in which case three members who are connected with any firm, partnership, or corporation shall be eligible to act as Director at the same time.	No more than 2 members of the same firm shall serve simultaneously, without exception.
<p>Total Number of Directors = 13*</p> <p>*Or 14 if the director term of office has expired for the then President-Elect who automatically becomes President, then that person shall serve an additional one (1) year term on the Board of Directors and shall be the fourteenth (14th) member of the Board of Directors.</p>	<p>Total Number of Directors = 11*</p> <p>*Or 12 if the director term of office has expired for the then President-Elect who automatically becomes President, then that person shall serve an additional one (1) year term on the Board of Directors and shall be the fourteenth (12th) member of the Board of Directors.</p>

Note: In order to effectuate the change in composition of the Board of Directors, it is proposed that all Directors who were elected prior to December 31, 2016, shall complete the term for which they were elected; therefore, the Board of Directors shall consist of thirteen (13) persons in 2018, and twelve (12) persons in 2019.

**Questions about any of the proposed amendments?
Call or email Julie Rietberg (julier@grar.com)**

**2016 BYLAWS
OF THE
GRAND RAPIDS ASSOCIATION OF REALTORS®**

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**2015 BYLAWS OF THE
GRAND RAPIDS ASSOCIATION OF REALTORS®**

ARTICLE 1 - LOCATION

SECTION 1.1: NAME

The name of this organization shall be the Grand Rapids Association of REALTORS®, Incorporated (hereinafter in these Bylaws referred to as the "Association"), ~~which shall have its principal office within its geographic territory (as defined in these Bylaws).~~

SECTION 1.2: 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.

ARTICLE 2 - OBJECTS

SECTION 2.1: NON-PROFIT CORPORATION

The Association is a non-profit corporation organized under the laws of the State of Michigan.

SECTION 2.2: OBJECTS

The objects of the Association are:

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.

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.

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

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®.

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 2.3: OTHER OBJECTS

In addition to the objects specified in Section 2.2 above, the Association may designate, for the benefit of the public, individuals authorized to use the term REALTOR® and REALTORS®, as licensed, prescribed and controlled by the National Association of REALTORS®.

ARTICLE 3 - JURISDICTION

SECTION 3.1: GEOGRAPHIC TERRITORY

The territorial jurisdiction of the Association as a member of the National Association of REALTORS® shall include all of Kent County, Michigan, the townships of Thornapple, Irving, Carlton, Woodland, Yankee Springs, Rutland, Hastings, and Castleton in Barry County, plus forty-two (42) square miles in the southeast portion of Ottawa County, Michigan, which is described as follows:

"A territory or area embracing 42 square miles in the southeastern portion of Ottawa County, more particularly described as, sections 25 to 27 and sections 34 to 36 inclusive of Tallmadge Township; the entire eastern one half of Georgetown Township, embracing sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36 of Georgetown Township, together with the entire eastern one half of Jamestown Township, which embraces sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36 of Jamestown Township, the entire area being 14 miles from north to south and three miles from east to west."

SECTION 3.2: JURISDICTION

Territorial jurisdiction is defined to mean: The right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth in these Bylaws and those of the National Association of REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE 4 - MEMBERSHIP

SECTION 4.1: NATURAL PERSONS

Only individual natural persons shall be eligible for membership in the Association, except as provided in Section 5.6(a).

SECTION 4.2: CLASSIFICATION OF MEMBERSHIP

The Association shall have four classes of members:

- (a) REALTOR® Members;
- (b) Life Members;
- (c) Affiliate Members; and
- (d) Institute Affiliate Members

SECTION 4.3: REQUIREMENTS FOR MEMBERSHIP

All members of every class shall first be required to meet the qualifications for membership of that class which are prescribed by the Bylaws, or by the Directors where the Bylaws do not specifically cover the matter, and shall then be elected in the manner herein prescribed, and, upon election, shall be required to pay such fees and dues as may be established from time to time in accordance with these Bylaws.

SECTION 4.4: MEMBERSHIP PLEDGES

All members of the Association shall be required to sign a pledge, which may be incorporated into the membership application, to observe the requirements of the Bylaws of the Association, the Code of Ethics of the Association and the National Association of REALTORS®, and such other Rules and Regulations as may from time to time be established by the Association.

ARTICLE 5 - ELECTION AND QUALIFICATION OF MEMBERS

SECTION 5.1: APPLICATION FOR MEMBERSHIP

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 the applicant has or had access to, has carefully reviewed, and, if elected a member, will abide by the Bylaws and the Rules and Regulations of the Association, the Code of Ethics of the National Association of REALTORS®, including the obligation to arbitrate controversies arising out of real estate transactions as specified in these Bylaws and (2) that applicant consents that the Association may invite and receive information and comment about the applicant from any member or other person, and that applicant agrees that any information or comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and shall not form the basis, in whole or in part, for any action for slander, libel, defamation of character or any other tort. The applicant shall, with the form of application, have access to a copy of the Bylaws, Rules and Regulations, and Code of Ethics referred to above.

Any application fee related to a change in membership status by a then current member shall be reduced by an amount equal to any application fee previously paid by the applicant, except that in no event shall the Association refund any application fees related to any change in membership status.

SECTION 5.2: REALTOR® MEMBERS

The following qualifications and provisions govern the membership of REALTOR® members:

(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 Association, that they shall meet all of the following qualifications:

- (i) The applicant must be applying for REALTOR® membership to actively engage in the real estate profession for his/her own account or in association with an established real estate office within the state or a state contiguous thereto (unless a secondary member); and

(ii) The applicant must be duly licensed as a real estate Broker or associate Broker, salesperson, limited real estate appraiser, licensed or certified appraiser, or other real estate sales or appraiser license types, as may be added or modified by the State of Michigan (subject to approval by the Board of Directors); and

(iii) The applicant 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, 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 Directors, and shall agree that, if elected to membership, to abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics; and

(iv) The applicant must have no record of official sanctions involving unprofessional conduct*; and
*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 or rules prohibiting unprofessional conduct against the applicant rendered by the courts, Professional Standards Committee, or other lawful authorities.

(v) An applicant who is a sole proprietor, principal, partner or corporate officer must have no recent or pending bankruptcy**.

**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, principal, partner, or corporate officer, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later).

(b) An applicant for REALTOR® membership who is 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 supply evidence satisfactory to the Association, that they meet all of the following qualifications:

(i) The applicant 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):

(ii) The applicant 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;

(iii) The applicant shall have no record of official sanctions involving unprofessional conduct*;

(iv) The applicant shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the membership committee, and shall agree in writing that if elected to membership he/she will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

(v) The Association will also consider the following in determining an applicant's qualifications for REALTOR membership:

1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years;
2. Pending ethics complaints (or hearings);
3. Unsatisfied discipline pending;
4. Pending arbitration requests (or hearings);
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

Provisional membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association, except for violations of the Code of Ethics, (provided all other qualifications for membership have been satisfied). The Association may reconsider the provisional 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 provisional 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.

(c) 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, may be elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges, and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to association-mandated education, meeting attendance, or orientation 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 state association, and National Association.

(bd) 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.

(ee) Each firm shall designate in writing one REALTOR® member for each branch office location 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 VI of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, principal, 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 as established in these bylaws.

(df) A person admitted to REALTOR® membership shall be required to maintain the qualifications for REALTOR® membership which are required of an applicant for such membership. If a REALTOR® member fails to maintain such qualifications, the REALTOR® member may be charged with a violation of these Bylaws, and shall be subject to appropriate disciplinary action as provided in these Bylaws.

(eg) All REALTOR® members shall promote the interests and welfare of the Association and the real estate profession.

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

SECTION 5.3: MEMBERS OF FIRMS, PARTNERSHIPS AND CORPORATIONS

(a) All persons who are partners in a partnership, officers in a corporation, or branch office managers who are actively engaged 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, and 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 individually in this Association, in the Michigan Association of REALTORS®, and in the National Association of REALTORS® in an association of REALTORS® within the state or state contiguous thereto, unless otherwise qualified for Institute Affiliate membership, as described in these Bylaws.

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 association 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 these Bylaws.

(b) If an applicant for REALTOR® membership who is a principal, partner, corporate officer or branch office manager in accordance with Section 5.3, subsection (a) of these bylaws fails to qualify for membership, all other principal members of the firm shall automatically become ineligible for membership, and the firm may not use the term REALTOR® or REALTORS® within the territorial jurisdiction of the Association, pending disposition of that applicant's connection with the firm or partnership.

(c) All persons who contract his/her services to two or more entities, and who are actively engaged in the appraisal of real estate within the territorial jurisdiction of the Association, shall qualify for Designated REALTOR® membership only, and each is required to hold Designated REALTOR® membership individually in this Association, in the Michigan Association of REALTORS®, and in the National Association of REALTORS®.

(d) It shall be the obligation of every Designated REALTOR® member of this Association who transfers his business office from one location to another, or who transfers his business association from one firm, partnership or corporation to another to advise the Association in writing by signed letter of the following facts no later than five (5) days after the effective date of any such transfer:

(i) The name, business address and business phone of the person, firm, partnership or corporation with which the REALTOR® member will be associated. If the change is location of office and not business association, the REALTOR® member shall notify the Association as to the new address.

(ii) If a sole proprietor is involved, identification of any assumed name under which the individual will conduct business and the name of any person other than the REALTOR® member who has or will have any direct or indirect ownership interest in the business.

(iii) If a partnership, the names of all partners and their interests.

(iv) If a company or corporation, the name of all other officers, directors, stockholders, and those licensed as brokers, and a description of the transferring member's connection with the company or corporation.

If any REALTOR® member fails to advise the Association in writing as required in this subsection (d), the Chief Executive Officer or other authorized officer shall immediately suspend all Association-sponsored services to such REALTOR® member until compliance is achieved, and such failure also may be grounds for discipline in accordance with these Bylaws.

(e) If a REALTOR® member is a principal in a firm, partnership, corporation, or trust, and his membership in the Association is suspended or terminated, the membership of all principal members shall automatically be suspended or terminated and the firm, partnership, corporation or trust of which he/she is a principal shall not use the terms REALTOR® or REALTORS® within the territorial jurisdiction of the Association in connection with its practice during the period of suspension, or until re-admission to REALTOR® membership, or unless connection with the firm, partnership, corporation, or trust is severed, whichever may apply.

(f) Every partnership, corporation, trust or other association that includes more than one Designated REALTOR® member who is actively engaged in the real estate practice within that entity shall notify the Association in writing which of the Designated REALTOR® members is the "primary Designated" REALTOR® member. The written notification shall be over the signature of the primary Designated REALTOR®, and shall be effective until a new notification is filed with the Association either naming a new primary Designated REALTOR® or containing the resignation of the existing primary Designated REALTOR®. The membership rights and privileges (but not the duties

and obligations) of all such associated Designated REALTORS® shall be suspended for any period of time during which the entity of their association has failed to name a primary Designated REALTOR® as specified herein.

The "primary Designated" REALTOR® shall be:

- (i) responsible for the payment of any outstanding, undischarged obligations with respect to that portion of dues based on sales employees and independent contractors as provided in Section 6.2(a);
- (ii) responsible for notifying the Association in writing which of the REALTOR® members in each branch office location shall be the Designated REALTOR®, in accordance with Section 5.2, subsection (d) of these Bylaws;
- (iii) vicariously liable for any act or omission of any non-member broker, salesperson, limited real estate appraiser, or licensed or certified appraiser affiliated with that REALTOR®'s firm that results in a disciplinary proceeding pursuant to Section 17.3 or that results in a business dispute arbitrable under Section 17.2; and
- (iv) responsible for satisfaction of any arbitration award made under Article 17 against that REALTOR®'S firm if the firm does not satisfy the award within the allotted time.

SECTION 5.4: LIFE MEMBERSHIP

Upon written request, life membership shall be conferred upon those REALTOR® members after approval of the Directors, who have maintained membership in the Association for at least twenty (20) years, have attained their 60th birthday, and no longer engage in the active conduct of real estate brokerage or appraisal business. Life members shall not be entitled to vote or to hold elective office in the Association. Life members may apply for reinstatement to active membership upon payment of a reinstatement fee equal to one-half of the then current application fee for the applicable class of membership, and, in addition, shall pay the pro-rata share of annual dues for the un-expired portion of the Association's fiscal year. Life members shall be eligible for reinstatement to active membership only once within any three-year period.

SECTION 5.5: AFFILIATE MEMBERS

(a) Affiliate Members shall be real estate owners, individuals or firms who provide real estate related services, or individuals who are employees of such entities, but in either case are not engaged in the sale or appraisal of real estate or the management thereof for their own account or in association with a licensed real estate broker, and who are in sympathy with the objectives of the Association. Where a corporation or other entity is the Member, that entity must, from time to time, designate one (but not more than one) of its employees to serve as its primary contact person for the Association.

(b) Other requirements for qualification for affiliate membership, in addition to those expressed in these Bylaws, may be adopted by the Board of Directors.

(c) Affiliate members shall have all the rights and privileges of the Association including serving on such committees as are designated by the Directors, except the right to use the term REALTOR® or REALTORS®, to vote, or to hold elective office in the Association.

(d) Affiliate members shall promote the interests and welfare of the Association and the real estate business.

(e) Affiliate members shall have other privileges and rights, and be subject to such further obligations as may be prescribed by the Directors.

SECTION 5.6: INSTITUTE AFFILIATE MEMBERS

(a) 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 one or more of the institutes, societies, or councils 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. affiliated with the National Association of REALTORS®, but who are not engaged in the buying or selling of real estate.

~~(b) Other requirements for qualifications for Institute Affiliate membership, in addition to those expressed in these Bylaws, may be adopted by the Directors.~~

~~(b)~~ (e) Institute Affiliate members shall have all the rights and privileges of the Association including serving on committees as designated by the Directors, except the right to use the term REALTOR® or REALTORS®, to vote, to hold elective office in the Association, or to join or to participate in the Multiple Listing Service.

(dc) Institute Affiliate members shall promote the interests and welfare of the Association and the real estate business.

SECTION 5.7: INVESTIGATION AND ELECTION

(a) All applications for each class of membership which, on their face, meet the requirements of these Bylaws, may be processed by Association staff, under the direction of the Chief Executive Officer, in accordance with these Bylaws. In these cases, an applicant's election to membership shall become effective when the applicant has fulfilled all of the requirements as set forth in these bylaws, and when the applicant has ~~(1) Paid~~ the entrance or membership fee pertaining to his or her class of membership, ~~and (2) Signed the pledge required.~~

(b) All applications for each class of membership which, on their face, do not meet the requirements of these Bylaws shall be referred to the Board of Directors. The Board of Directors shall make such examinations of the applicant as may be required to carry out the provisions of these Bylaws.

(i) The Board of Directors shall determine whether the class of membership for which the applicant is applying is one for which he/she would be eligible if otherwise possessing the qualifications of membership.

(ii) Within ninety (90) days after receipt of the application, the Directors shall review the qualifications of the applicant and then vote on the applicant's admission to membership. If the applicant receives a majority vote of the Directors, he or she shall be declared elected to membership and shall be so advised by notice in writing.

(iii) The Directors may not reject an applicant without 1) first giving the applicant an opportunity to appear before the Directors, to call witnesses in his or her behalf, to be represented by counsel and to present relevant information and make relevant statements, and 2) unless he or she has been advised, in advance, in writing, of the findings and recommendations of the Board of Directors. The Board of Directors may also have counsel present. The Board of Directors shall cause written minutes to be made of any hearing before it or may electronically or mechanically record the proceedings.

~~(iva) If the Directors determine that an applicant should be rejected, a written record of the reasons for rejections shall be made and filed with the Secretary. It shall record its reasons with the Chief Executive Officer (or duly authorized designee). If the Directors believe that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.~~

(iv) An applicant's election to membership shall become effective when the applicant has received favorable affirmative vote of the majority of all the Directors and when the applicant has ~~received~~ ~~received~~ the entrance or membership fee pertaining to his or her class of membership, ~~and (2) Signed the pledge required.~~

(c) The Board of Directors may prescribe mandatory educational programs concerned with fair housing, Code of Ethics, antitrust, agency and risk reduction matters for each class of membership as it may from time to time determine. At a minimum, each REALTOR member (with the exception of REALTOR members granted REALTOR Emeritus status by the National Association of REALTORS) shall be required to complete ~~periodic Code of Ethics training as required by the National Association of REALTORS. quadrennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another 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 (4)-year cycle shall not be required to complete additional ethics training until a new four (4)-year cycle commences. Failure to comply with or satisfy mandatory educational program requirements shall be treated the same as nonpayment of dues, as provided in Article 6 of these Bylaws. satisfy the required periodic ethics training shall be considered a violation of a membership duty and 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 5.8: INAPPROPRIATE CONDUCT

~~All members are entitled to criticize or otherwise complain, publicly or privately, with respect to the conduct and/or character of any employee of the Association to the extent relevant to the performance of the employee's duties on behalf of the Association; provided, however, in the event any member (i) engages in conduct which constitutes unreasonable personal attacks upon, sexual harassment of (as defined by Association policy), and/or threats to the person or privacy of any employee of the Association, or (ii) persists in continuing such criticism and/or complaint after the matter has been brought to the attention of, and acted upon by the Board of Directors, and after notice from the President of the Association that such persistence may subject the member to disciplinary action; then such member shall be subject to discipline, including expulsion, as provided in this Section. No action shall be taken under this Section against any member unless the alleged wrongful conduct has been brought to the attention of the Board of Directors, and the matter has been referred by the Board to the Grievance Committee for review and prosecution before the Professional Standards Committee, where appropriate, in accordance with Article 17 of these Bylaws, except that the Board of Directors shall be substituted for the Appeal Panel designated in Article 17 in the event of any appeal in such matter.~~

SECTION 5.98: MEMBERSHIP NON-TRANSFERABLE

Membership in this Association shall be personal and non-transferable.

SECTION 5.109: PERSONNEL RECORDS

Each Designated REALTOR® member shall keep on file in the office of the Association at all times a current list of all independent contractors or employees licensed or affiliated with said member who are licensed as real estate brokers or salespersons, limited real estate appraisers, and licensed and certified appraisers, 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 confirmed by the Association and shall be used for purposes of calculating dues under Article VI of the Bylaws. Designated REALTOR® members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of the individual. A list showing the names of all members shall be published and delivered to members at least annually.

SECTION 5.110: MISCONDUCT TOWARDS ASSOCIATION HARASSMENT

~~Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or an Association officer or director after an investigation in accordance with the procedures of the Association. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the president, and president-elect and/or vice president and one member of the board of directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the president, president-elect or vice president, they may not participate in the proceedings and shall be replaced by the immediate past president or, alternatively, by another member of the board of directors selected by the highest ranking officer not named in the complaint.~~

~~In the event any member engages in conduct which involves a breach of ethics, dishonesty, fraud or similar misconduct against the Association or its affiliates (including, without limitation, MLS Exchange, Inc.), then such member may be charged with a violation of these Bylaws and shall be subject to discipline, including expulsion, as provided in Article 17 of these Bylaws. No action shall be taken under this Section against any member unless the alleged wrongful conduct has been brought to the attention of the Board of Directors, and the matter has been referred by the Board to the Grievance Committee for review and prosecution before the Professional Standards Committee, where appropriate, in accordance with Article 17 of these Bylaws, except that the Board of Directors shall be substituted for the Appeal Panel designated in Article 17 in the event of any appeal in such matter.~~

ARTICLE 6 - ENTRANCE AND MEMBERSHIP FEES AND ANNUAL DUES

SECTION 6.1: APPLICATION OR ENTRANCE FEES

The Board of Directors may adopt an application fee for each class of membership in reasonable amount, not exceeding three times the amount of the annual dues applicable for membership in the Association, the Michigan Association of REALTORS® and the National Association of REALTORS® for that class. Application fees shall be non-refundable and shall become the property of the Association upon filing of the application. Application fees may be in differing amounts for each class of membership.

SECTION 6.2: DUES

The annual dues of Designated REALTOR® members shall be as follows:

(a) The annual dues for each Designated REALTOR® member shall be such amount ~~as established~~ annually by the Board of Directors for REALTOR® membership ~~in this Association~~ plus an additional amount to be established annually by the Board of Directors determined by multiplying the annual dues for REALTOR® membership times the number of real estate salespersons, brokers, valuation specialists, and licensed and certified Appraisers who 1) are ~~employed by or affiliated as independent contractors, or who are otherwise either~~ directly or indirectly ~~employed by or affiliated licensed with such REALTOR® member with such Designated REALTOR® member who are not REALTOR® members;~~ and 2) are not REALTOR® members of any other association in the state or a state contiguous thereto ~~or Institute Affiliate members of the Association; which amounts include: (i) the annual dues for membership in the National Association of REALTORS®, and (ii) the annual dues for membership in the Michigan Association of REALTORS®.~~ In calculating the dues payable to the Association by a Designated REALTOR® member, non-member licensees as designated in Section 6.2 (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 association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. ~~Such notification shall be confirmed by the Association.~~

For the purpose of this section, a REALTOR® member of a Member Board shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of the National Association of REALTORS®. An individual shall be deemed to be licensed with a REALTOR® member if the license of the individual is held by a REALTOR® member or by any broker who is licensed with the REALTORS® or by an entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer or branch office manager of the entity. An individual shall be deemed to be affiliated with a REALTOR® member if the individual is a limited real estate appraiser, or is licensed or certified by the State of Michigan as an Appraiser, and is an independent contractor or employee working for the REALTOR®.

Notwithstanding the foregoing, a REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, managing, counseling, or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the Designated REALTOR®. Designated REALTORS shall notify the Association within three (3) days of any change in status of licensees in a referral firm.

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

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

~~If two or more REALTOR® members are principals, partners, officers, or directors of the same firm, partnership or corporation, then only the primary Designated REALTOR® member designated from time to time by such organization shall be required to pay that portion of the dues which is based on the number of employees and independent contractors affiliated with such organization.~~

(b) The annual dues of each REALTOR® member shall be such amount as established by the Directors for REALTOR® membership in this Association, which include: (1) the annual dues for membership in the National Association of REALTORS®, and (2) the annual dues for membership in the Michigan Association of REALTORS®. Dues statements issued to REALTOR® members shall show as separate items the dues for the Association, the State Association and the National Association.

(c) The annual dues of each Affiliate member ~~shall be such amount for each class of Affiliate membership or Institute Affiliate membership as may be~~ established by the Directors.

(d) The annual dues of each Institute Affiliate member shall be as established in Article II of the Bylaws of the National Association of REALTORS.

(e) Local dues for all members shall be payable semi-annually in advance on the first day of January and July in each year. The Michigan Association of REALTORS® dues and the National Association of REALTORS® dues shall be payable annually in advance on the first day of November in each year. The Association portion of dues of newly elected members shall begin as of the first day of the month in which they shall be notified of election, and the initial payment of dues shall be in an amount equal to the pro-rated portion of their dues from that date to the next following regular due date(s) for such dues.

(f) The local dues shall be waived for REALTOR® Members who have held membership in the Grand Rapids Association of REALTORS for a cumulative period of forty (40) years or who have been granted REALTOR® Emeriti status by the National Association of REALTORS®.

SECTION 6.3: NON-PAYMENT OF DUES

If dues are not paid within 30 days after the due date, the member's rights and privileges of membership shall be automatically terminated. A former member who has had his or her membership terminated may apply for reinstatement within one year from the date membership was terminated upon payment of a fee equal to one-half of the then current application fee for the applicable class of membership, after making payment in full of all past-due accounts. After one year, a former member may apply for re-admission in the manner prescribed for new applicants for membership, after making payment in full of all past-due accounts.

In the event a salesperson, affiliated broker, licensed or certified appraiser, or limited real estate appraiser who holds REALTOR® membership is terminated for nonpayment of membership 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 and such amount shall be payable within thirty (30) days of the notice of termination.

SECTION 6.4: RESIGNATIONS

Resignations from membership shall become effective when written notice is received at the Association office.

SECTION 6.5: REINSTATEMENT OF MEMBERSHIP

(a) Any member who voluntarily resigns from the Association may be granted the privilege of having his/her membership reinstated in this Association at any time within a period of one (1) year from the date of resignation upon payment of 1) a reinstatement fee equal to one-half of the then current application fee for the applicable class of membership; 2) all past-due accounts; and 3) the pro-rata share of his or her annual dues to the next following due date(s) for such dues. Members who did not fulfill the terms of the common lockbox key agreement, if applicable, are eligible for re-admission to membership in the manner prescribed for new applicants for membership, after making payment in full of all past-due accounts.

Any member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled for a violation of these Bylaws and Association rules and regulations consistent with these Bylaws, after a hearing as provided in Article 17 of these Bylaws. Although members other than REALTORS® are not subject to the Code of Ethics, nor its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of the National Association of REALTORS® and conduct their business and professional practices accordingly. Further, members other than REALTORS® may, upon recommendation by a hearing panel of the professional standards committee, be subject to discipline as described above, for any conduct, which in its opinion, 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 State Association, and the National Association of REALTORS®.

Any REALTOR® member of the Association may be disciplined for violations of the Code of Ethics or other duties of membership, after a hearing as described in Article 17 of these Bylaws, 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 a member resigns from the Association 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.

(c) If a member resigns from the Association or otherwise causes membership to terminate without having complied with the decision of a hearing panel or an award in arbitration, the Board of Directors may condition any reapplication or reinstatement of the former member upon his/her promise to fulfill the requirements and/or pay the award, plus any costs that have previously been established as due and payable by the former member, provided that the award has not, in the meanwhile, been otherwise satisfied.

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

ARTICLE 7 - MEETINGS

SECTION 7.1: ANNUAL MEETING

An annual meeting ~~limited to all REALTOR® members of the Association who are licensed as brokers or certified appraisers, and REALTOR® Directors who are licensed as salespersons or licensed appraisers, of the voting members~~ shall be held during the 2nd half of each year on such date as shall be established by the Directors. Meetings of such members will be held at the principal office of the Association or at such other place in Michigan, and at such time as the Directors shall designate and specify in the notice of meeting.

SECTION 7.2: MEETINGS OF MEMBERS

Meetings of all members of the Association shall be held at such times and places as may be determined by the Directors from time to time.

SECTION 7.3: MEETINGS OF DIRECTORS

Meetings of the Directors may be held in person or by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other. Meetings shall be held at such times, not less frequently than monthly, and place(s) as the President or Directors may determine.

SECTION 7.4: PRESIDING AND RECORDING OFFICERS

The President shall preside at all meetings of the Directors and of the members. In the event the President is unable to preside, then the officers in the following order shall preside in the absence or inability of the next higher ranking officer to preside: President-Elect, Treasurer, Secretary. The Secretary shall act as Secretary of all meetings of the members and of the Directors, but in the absence of the Secretary from any such meeting, the presiding officer shall appoint any Director to act as Secretary of the meeting.

SECTION 7.5: SPECIAL MEETINGS

Special meetings limited to the REALTOR® members who are licensed as brokers or certified appraisers, and REALTOR® Directors who are licensed as salespersons or licensed appraisers, or special meetings for all the members of the Association or special meetings of the Directors shall be held upon the call of the President. The President or the President-Elect shall call such special meetings upon the written request of twenty percent of the REALTOR® members who are licensed as brokers or certified appraisers, or upon the written request of a majority of the Directors, which request shall state the purpose for which said meeting is to be called and held.

SECTION 7.6: QUORUM

Fifteen percent of the membership entitled to vote and in good standing on the date of the meeting (i.e., fifteen percent of the REALTOR® members who are licensed as brokers or certified appraisers) shall constitute a quorum for all meetings of the members of the Association. A majority of the Directors shall constitute a quorum for the transaction of business by the Directors. If, at any meeting of the members or of the Directors, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time without further notice other than the announcement at such meeting, and when a quorum shall be present upon such adjourned day, any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 7.7: NOTICES

Written notice of all meetings of members shall be sent to each member of the class invited to attend that meeting at his or her address as it appears in the membership records of the Association at least ten days prior to the meeting and any notice of a special meeting shall state the time, place and purposes thereof. Written notice of the time and place of all special meetings of the Directors shall be given to each Director at least twenty-four hours prior thereto.

SECTION 7.8: WAIVER

If a written notice of the time, place and purpose of any meeting of the members of the Association or of any special meeting of the Directors is not given, it may be waived, either before or after the meeting, by the members or the Directors, as the case may be.

ARTICLE 8 - USE OF THE TERM REALTOR® AND REALTORS®

SECTION 8.1: USE OF REALTOR® AND REALTORS®

(a) Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the National Association of REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action after a hearing as provided for in Article 17 of these Bylaws.

(b) 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.

(c) 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 of the Association. 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, or corporate officer or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operated 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.

(d) 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 9 - STATE AND NATIONAL MEMBERSHIP

SECTION 9.1: MEMBERSHIP IN OTHER ASSOCIATIONS

The Association shall be a member of the National Association of REALTORS® and of the Michigan Association of REALTORS®. By reason of the Association's membership, each REALTOR® member shall be entitled to membership in the National Association of REALTORS® and the Michigan Association of REALTORS®.

The Association shall continue as a member of the Michigan Association of REALTORS® and National Association of REALTORS®, unless by a majority vote of all its REALTOR® members who are licensed as brokers or certified appraisers, a decision is made to withdraw, in which case the Michigan Association of REALTORS® and National Association of REALTORS® shall be notified at least one month in advance of the date designated for the termination of such membership.

SECTION 9.2: PROPERTY RIGHTS IN TERMS

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 of REALTORS®, or upon a determination by the Board of Directors of the National Association of REALTORS® that it has violated the conditions imposed upon the terms.

SECTION 9.3: CODE OF ETHICS

~~The Association adopts the Code of Ethics of the National Association of REALTORS® and agrees to enforce the Code among its REALTOR® members, except, however where there are any inconsistencies between the Code of Ethics, and GRAR's Bylaws, and Rules and Regulations, GRAR's Bylaws and Rules and Regulations shall take precedence. The Association and all of its members agree to abide by GRAR's Bylaws, Rules and Regulations, and policies of the National Association and the Michigan Association of REALTORS®, as provided in this Section 9.3.~~

ARTICLE 10 - ADMINISTRATION

SECTION 10.1: MANAGEMENT BY AND AUTHORITY OF DIRECTORS

The property and lawful business of the Association shall be held and managed by a Board of Directors (herein referred to as the "Directors"), which shall possess all the powers and authority as may be necessary to carry out the purposes of the Association, as limited by the Articles of Incorporation of the Association or by these Bylaws. The Directors shall determine all matters of policy which are not reserved by these Bylaws for determination by the members. The Directors may also adopt Rules and Regulations which the Directors consider necessary or advisable to administer the proper activities of the Association and to carry out its function and purposes.

ARTICLE 11 - DIRECTORS AND THEIR ELECTION

SECTION 11.1: NUMBER AND QUALIFICATIONS

(a) The Board of Directors shall consist of ~~thirteen (13)~~ eleven (11) persons, three (3) of whom shall be REALTOR® members who are licensed as salespersons or licensed appraisers; however, in the event one or more of these three (3) Directors subsequently obtain a broker or certified appraiser's license during the course of his/her term, then the number of Directors required to be licensed as a salesperson or licensed appraiser shall be reduced accordingly for the remainder of each such Director's term; ~~one (1)~~ two (2) of whom shall be a Designated REALTOR® representing the ~~seven (7)~~ six (6) largest firms (the "Large Firm Directors"); ~~three (3) of whom shall be Designated REALTOR or Designated Certified Appraiser members; and three (3) of whom and the balance~~ shall be REALTOR® members who are licensed as brokers or certified appraisers; provided, however, in the event the director term of office has expired for the then President-Elect who automatically becomes President, then that person shall serve an additional one (1) year term on the Board of Directors and shall be the ~~fourteenth (14th)~~ twelfth (12th) member of the Board of Directors. Notwithstanding the foregoing, all Directors who were elected prior to December 31, 2016, shall complete the term for which they were elected; therefore, the Board of Directors shall consist of thirteen (13) persons in 2018, and twelve (12) persons in 2019.

(b) Not more than two members who are connected with any firm, partnership, or corporation shall be eligible to act as Director at the same time, provided, however, a change in an incumbent Director's company affiliation shall disqualify that Director from serving the balance of his or her term unless one of the other directors affiliated with that company resigns prior to the effective date of the change. ~~Notwithstanding the foregoing, this limitation shall not apply to the Director position occupied by the Large Firm Director, in which case three members who are connected with any firm, partnership, or corporation shall be eligible to act as Director at the same time.~~

(c) If a Director is fined, suspended, or placed on probation for violation of the Code of Ethics, or if he/she is terminated due to non-payment of financial obligations either personally or those of the firm in which he/she is a principal, stockholder or Designated REALTOR®, he/she shall be deemed to have lost his/her qualifications to serve as Director for the remainder of his/her term and such person's Directorship shall be deemed to have automatically terminated as of the date such disciplinary actions become final and effective.

SECTION 11.2: FAILURE TO ATTEND MEETINGS

Absence from four regularly scheduled meetings (annually) of the Directors shall be construed as a resignation. A Director is considered absent if he/she is not in attendance for 75% of a meeting as measured by time; provided, however, a Director is not considered absent if he/she is in attendance at another ~~GRAR~~Association-related meeting.

SECTION 11.3: NOMINATIONS, TERM AND ELECTION OF REALTOR® DIRECTORS WHO ARE DESIGNATED REALTORS®

(a) REALTOR® Directors who are Designated REALTORS shall be elected by other REALTOR® members who are Designated REALTORS. Nominations for REALTOR® Directors who are Designated REALTORS shall be made prior to the annual election by means of a direct primary. A ballot accompanied by a roster of the eligible REALTOR® members shall be submitted to all the REALTOR® members who are Designated REALTORS at least seventy (70) days prior to the date established for the annual meeting, and each REALTOR® member entitled to vote shall designate on the ballot as many candidates as there are REALTOR® Directors to be elected. (If a REALTOR® member does not designate as many candidates as there are REALTOR® Directors to be elected, the ballot shall be declared void.) Directors shall not be nominated to serve two consecutive full terms. Furthermore, the Directors shall not appoint someone who has completed a full term in the previous 12 months to fill the vacancy of another Director. A REALTOR® shall not be eligible to be nominated as a REALTOR® Director if 1) he/she has not served as a member of an Association committee for at least two (2) years; 2) his/her financial obligations (either personally, or those of the firm in which he/she is a principal, stockholder or Designated REALTOR®) to the Association are not current as of the date of the nomination up to the date of the election; or 3) he/she has been fined, placed on probation, or suspended from the membership for a violation of the Code of Ethics within a three (3) year period preceding the beginning of the term of the directorship for which nominations are being made.

(b) The annual nominating primary for election of REALTOR® Directors who are Designated REALTORS shall be held at least sixty three (63) days prior to the date established for the annual meeting on which day only those ballots

received prior to one o'clock p.m. shall be tabulated, and the judges of the election shall confirm the results. From the candidates receiving the highest number of votes in the primary, there shall be selected three (3) nominees (or more if Section 11.8 is applicable) in the order of the number of votes each received and their names shall be placed upon the official ballot in alphabetical order.

(c) Immediately after the confirmation of the nominating primary ballots, the three nominees shall be notified of the results of the nominations. Five (5) days following the date of the primary election, the results of the nominations shall be submitted to all REALTOR® members who are Designated REALTORS, together with a ballot to be used in the annual election of REALTOR® Directors.

(d) The annual election of REALTOR® Directors who are Designated REALTORS shall be held at least fifty one (51) days prior to the date established for the annual meeting on which day only those ballots received prior to one o'clock p.m. shall be tabulated and confirmed by the judges of election.

(e) No ballot shall be tabulated if it does not contain a vote for the exact number of REALTOR® Directors to be elected.

(f) Immediately following this election, announcement of the election shall be submitted to all members.

(g) At all annual REALTOR® Director elections (of those who are Designated REALTORS), one nominee shall be elected to serve as REALTOR® Director for the term of three years, or until his/her successors are elected and qualified. The one REALTOR® receiving the highest number of votes shall be elected. The three-year term of the newly elected REALTOR® Director shall begin January 1 following his/her election.

(h) A change in the Designated REALTOR Director's company affiliation or position as Designated REALTOR® shall disqualify that Director from serving the balance of his or her term, unless that change does not alter that Director's eligibility to continue to serve as a representative of the Designated REALTORS as defined in this Section.

SECTION 11.34: NOMINATIONS, TERM AND ELECTION OF REALTOR® DIRECTORS WHO ARE LICENSED AS BROKERS OR CERTIFIED APPRAISERS

(a) REALTOR® Directors who are licensed as brokers or certified appraisers shall be elected by other REALTOR® members who are licensed as brokers or certified appraisers. Nominations for REALTOR® Directors who are licensed as brokers or certified appraisers shall be made prior to the annual election by means of a direct primary. A ballot accompanied by a roster of the eligible REALTOR® members shall be submitted to all the REALTOR® members who are licensed as brokers or certified appraisers at least ~~sixty five (65)~~ fifty (50) days prior to the date established for the annual meeting, and each REALTOR® member entitled to vote shall designate on the ballot as many candidates as there are REALTOR® Directors to be elected. (If a REALTOR® member does not designate as many candidates as there are REALTOR® Directors to be elected, the ballot shall be declared void.) Directors shall not be nominated to serve two consecutive full terms. Furthermore, the Directors shall not appoint someone who has completed a full term in the previous 12 months to fill the vacancy of another Director. A REALTOR® shall not be eligible to be nominated as a REALTOR® Director if 1) he/she has not served as a member of an ~~GRAR-Association~~ committee for at least two (2) years; 2) his/her financial obligations (either personally, or those of the firm in which he/she is a principal, stockholder or Designated REALTOR®) to the Association are not current as of the date of the nomination up to the date of the election; or 3) he/she has been fined, placed on probation, or suspended from the membership for a violation of the Code of Ethics within a three (3) year period preceding the beginning of the term of the directorship for which nominations are being made.

(b) The annual nominating primary for election of REALTOR® Directors who are licensed as brokers or certified appraisers shall be held at least ~~fifty six (56)~~ forty three (43) days prior to the date established for the annual meeting on which day only those ballots received prior to one o'clock p.m. shall be tabulated, and the judges of the election shall confirm the results. From the candidates receiving the highest number of votes in the primary, there shall be selected ~~six (6)~~ three (3) nominees (or more if Section 11.78 is applicable) in the order of the number of votes each received and their names shall be placed upon the official ballot in alphabetical order.

(c) Immediately after the confirmation of the nominating primary ballots, the ~~six~~ three nominees shall be notified of the results of the nominations. ~~Seven (7)~~ Five (5) days following the date of the primary election, the results of the nominations shall be submitted to all REALTOR® members who are licensed as brokers or certified appraisers, together with a ballot to be used in the annual election of REALTOR® Directors.

(d) The annual election of REALTOR® Directors who are licensed as brokers or certified appraisers shall be held at least ~~forty (40)~~ thirty one (31) days prior to the date established for the annual meeting on which day only those ballots received prior to one o'clock p.m. shall be tabulated and confirmed by the judges of election.

(e) No ballot shall be tabulated if it does not contain a vote for the exact number of REALTOR® Directors to be elected.

(f) Immediately following this election, announcement of the election shall be submitted to all members.

(g) At all annual REALTOR® Director elections (of those who are licensed as brokers or certified appraisers), ~~three~~ one nominees shall be elected to serve as REALTOR® Directors for the term of three years, or until ~~their~~ his/her successors ~~are~~ is elected and qualified. The ~~three~~ REALTOR® receiving the highest number of votes shall be elected. The three-year term of ~~each such~~ the newly elected REALTOR® Director shall begin January 1 following his/her election.

SECTION 11.45: NOMINATIONS, TERM AND ELECTION OF REALTOR® DIRECTORS WHO ARE LICENSED AS SALESPERSONS OR LICENSED APPRAISERS

(a) REALTOR® Directors who are licensed as salespersons or licensed appraisers shall be elected by other REALTOR® members who are licensed as salespersons or licensed appraisers. The three (3) REALTOR® Directors who are licensed as salespersons or licensed appraisers shall serve staggered terms of three (3) years each. Nominations for REALTOR® Directors who are licensed as salespersons or licensed appraisers shall be made prior to the annual election by means of a direct primary. A ballot accompanied by a roster of eligible REALTOR® members shall be submitted to all the REALTOR® members who are licensed as salespersons or licensed appraisers at least ~~thirty-seven (37)~~ thirty (30) days prior to the date established for the annual meeting, and each REALTOR® member entitled to vote shall designate on the ballot as many candidates as there are REALTOR® Directors to be elected. (If a REALTOR® member does not designate as many candidates as there are REALTOR® Directors to be elected, the ballot shall be declared void.) Directors shall not be nominated to serve two consecutive full terms. Furthermore, the Directors shall not appoint someone who has completed a full term in the previous 12 months to fill the vacancy of another Director. A REALTOR® shall not be eligible to be nominated as a Director if 1) he/she has not served as a member of an GRAR-Association committee for at least two (2) years; 2) his/her financial obligations (either personally, or those of the firm in which he/she is a principal, stockholder or Designated REALTOR®) to the Association are not current as of the date of the nomination up to the date of the election; or 3) he/she has been fined, placed on probation, or suspended from the membership for a violation of the Code of Ethics within a three (3) year period preceding the beginning of the term of the directorship for which nominations are being made.

(b) The annual nominating primary for election of REALTOR® Directors who are licensed as salespersons or licensed appraisers shall be held at least ~~twenty-eight (28)~~ twenty three (23) days prior to the date established for the annual meeting on which day only those ballots received prior to one o'clock p.m. shall be tabulated, and the judges of the election shall confirm the results. From the candidates receiving the highest number of votes in the primary, there shall be selected three (3) nominees (or more if Section 11.78 is applicable) in the order of the number of votes each received and their names shall be placed upon the official ballot in alphabetical order.

(c) Immediately after the confirmation of the nominating primary ballots, the three nominees shall be notified of the results of the nominations. ~~Seven (7)~~ Five (5) days following the date of the primary election, the results of the nominations shall be submitted to all REALTOR® members who are licensed as salespersons or licensed appraisers, together with a ballot to be used in the annual election of REALTOR® Directors.

(d) The annual election of the REALTOR® Director who is licensed as a salesperson or licensed appraiser shall be held not less than ~~ten (10)~~ eleven (11) days prior to the date established for the annual meeting on which day only those votes received prior to one o'clock p.m. shall be tabulated and confirmed by the judges of election.

(e) No vote shall be tabulated if it does not contain a vote for the exact number of Directors to be elected.

(f) No votes shall be confirmed by the judges of election until after they have met for the purpose of counting the same.

(g) At the annual REALTOR® Director election for Directors who are licensed as a salesperson or licensed appraiser, one nominee shall be elected to serve as Director for the term of three years, or until his/her successor is elected and qualified. The REALTOR® receiving the highest number of votes shall be elected. The three-year term of the newly elected Director shall begin January 1 following his/her election.

(h) Immediately following the election of this Director, announcement of the election shall be sent to all members.

SECTION 11.56: TERM AND ELECTION OF THE DESIGNATED REALTOR® DIRECTORS REPRESENTING THE SEVEN SIX LARGEST FIRMS

Except for 2018 and every third year thereafter (i.e. 2021, 2024, etc.), when an election need not be held, at least forty-five (45) days prior to the date established for the annual meeting, the Association shall notify the Designated REALTORS® of the seven six largest firms (as determined by the number of Association REALTOR® members licensed with each firm) of their individual appointment to a council (the "Large Firm Broker Council") for the ensuing twelve (12) month period, the purpose of which shall be to elect the Large Firm Director. At least twenty (20) days prior to the date established for the annual meeting, the Large Firm Broker Council shall meet to elect one (1) Designated REALTOR® representative, by majority vote, to serve as the Large Firm Director for the term of one (1) three (3) years beginning January 1 following his/her election. If the Large Firm Broker Council fails to either elect a representative or notify the Association of the name of its elected representative, the Large Firm Director position shall remain vacant for the ensuing calendar year. A change in the Large Firm Director's company affiliation or position as Designated REALTOR® shall disqualify that Director from serving the balance of his or her term, unless that change does not alter that Director's eligibility to continue to serve as a representative of the Large Firm Broker Council as defined in this Section.

Notwithstanding the foregoing, at the 2017 election of the Designated REALTOR Director representing the six largest firms, the Large Firm Council shall elect two (2) Designated REALTORS to represent the six largest firms, one of whom shall be elected for a 2-year term and one of whom shall be elected for a 3-year term, both terms beginning January 1, 2018.

SECTION 11.67: VACANCIES

Vacancies by resignation or otherwise among the Directors shall be filled by the Directors until the end of the current calendar year only, except in the case of a vacancy in the Large Firm Director position which shall be filled by the Large Firm Broker Council, unless the vacancy was caused by non-election or lack of notification pursuant to Section 11.56 of these Bylaws, in which case the position shall remain vacant. At the annual Director elections, the membership shall elect such director(s) for the remainder of any such unexpired term. REALTOR® Director vacancies for those who are licensed as salespersons or licensed appraisers shall be filled by the Directors from a list of three (3) REALTOR® members who are licensed as salespersons or licensed appraisers. Such list shall be prepared by the Candidate Review and Development Committee upon the request of the Board of Directors. Vacancies shall be filled within thirty (30) days.

SECTION 11.78: ELECTION TO FILL VACANCIES

Each additional Director vacancy to be filled due to temporary appointment under Section 11.57 shall add two candidates to the number to be nominated in the case of a vacancy of a Director who is licensed as a broker or certified appraiser, and three (3) candidates in the event of a vacancy of a Director who is licensed as a salesperson or licensed appraiser, and one to the number to be elected. Said vacancy or vacancies shall be filled for the unexpired term or terms by the nominee or nominees receiving the next highest number of votes after the three nominees (in the case of the election for REALTOR® Directors who are licensed as brokers or certified appraisers) or one nominee (in the case of the election for the REALTOR® Director who is licensed as a salesperson or licensed appraiser) who are elected to three-year terms, with the nominee(s) receiving the highest number of votes being elected to the directorships with the longest unexpired term where directorships with differing terms are to be filled. Each such newly elected Director shall take office on January 1 following his/her election.

SECTION 11.89: VOTE BY SECRET BALLOT

The REALTOR® members shall vote by such method as determined by the Board of Directors, which may include electronic methods.

SECTION 11.910: JUDGES OF ELECTION

The President, with the approval of the Directors, shall appoint three REALTOR® members who are licensed as brokers or certified appraisers to serve as judges to supervise the election for Directors who are licensed as a brokers or certified appraisers. The President, with the approval of the Directors, shall also appoint three REALTOR® members who are licensed as salespersons or licensed appraisers to serve as judges to supervise the election for Directors who are licensed as salespersons or licensed appraisers.

SECTION 11.1011: TIE VOTE

In case of a tie vote in the last place, either in the primary or in the Director elections, the selection among those tied shall be made by lot under the direction of the judges in charge of the election.

ARTICLE 12 - OFFICERS AND THEIR ELECTION

SECTION 12.1: OFFICERS

The officers of the Association shall be President, President-Elect, Secretary, and Treasurer, each of whom shall serve annually for a term of one year, or until his/her successor is elected and qualified. The same person shall not occupy more than one of such offices at the same time.

SECTION 12.2: MEMBERS' RECOMMENDATION OF PRESIDENT-ELECT

At the Annual Meeting of the REALTOR® members, and the REALTOR® Directors who are licensed as salespersons or licensed appraisers, by means of an advisory vote by secret ballot if there is more than one (1) candidate, those members who are licensed as brokers or certified appraisers and the REALTOR® Directors who are licensed as salespersons or licensed appraisers shall recommend the election of a REALTOR® member (who is licensed as a broker or certified appraiser) of the Board of Directors to the office of President-Elect for the ensuing year.

SECTION 12.3: ELECTION OF OFFICERS

At the Annual Meeting of the REALTOR® members who are licensed as brokers or certified appraisers and the REALTOR® Directors who are licensed as salespersons or licensed appraisers, the current and newly elected Directors for the ensuing year shall elect for the ensuing year a President-Elect (who may or may not be the person recommended by the members), a Secretary and a Treasurer. The then current President-Elect shall automatically succeed to the office of President. All of said officers must be members of the Board of Directors for the ensuing year. Vacancies in any such offices shall be filled by the Directors from its own membership.

SECTION 12.4: PRESIDENT-ELECT

In the event of a vacancy in the office of President, or in the absence or inability to act as the President, the President-Elect shall perform the duties of the President.

SECTION 12.5: BONDS

The Chief Executive Officer, all officers handling funds of the Association, and such other employees as the Directors shall designate, shall be bonded in such amounts as the Directors shall deem necessary, the cost to be paid by the Association.

SECTION 12.6: DUTIES

The duties of the officers shall be such as their titles by general usage would indicate and such as may be assigned to them respectively by the Directors from time to time, and such as are required by law.

SECTION 12.7: CHIEF EXECUTIVE OFFICER

The Directors may employ a Chief Executive Officer and may prescribe his or her function. The Chief Executive Officer shall not be a REALTOR® member of the Association.

SECTION 12.8: LEGAL COUNSEL

The Directors may retain legal counsel and fix terms of compensation.

ARTICLE 13 - FINANCES

SECTION 13.1: PROPERTY OF ASSOCIATION

Any and all payments and contributions made to the Association by members or by applicants for such membership and any receipts or income shall be the sole property of the Association and no member shall have any interest therein.

SECTION 13.2: ADMINISTRATION OF FUNDS

The Directors shall administer the finances of the Association, shall determine how the records and the books of account shall be established, or modified and maintained, and shall have sole authority to appropriate the funds of the Association, as limited by Section 13.3, and to invest such funds in their discretion.

SECTION 13.3: LIMIT OF EXPENDITURES

The Directors shall not incur an obligation or authorize an expenditure in excess of \$200.00 over the available cash on hand without the approval of the REALTOR® members of the Association (who are licensed as a brokers or certified appraisers) at the Annual Meeting or at a meeting called for that purpose.

SECTION 13.4: COMPENSATION OF CHIEF EXECUTIVE OFFICER

The Directors shall fix the compensation of the Chief Executive Officer and of any officer of the Association for his or her services.

SECTION 13.5: REIMBURSEMENT OF EXPENSES

All officers, directors and members of committees may be reimbursed for actual out-of-pocket expenses which have been incurred in connection with their duties and functions as an officer, director or member of a committee in such manner and on such basis as may be established by resolution of the Directors.

ARTICLE 14 - COMMITTEES

SECTION 14.1: STANDING AND SPECIAL COMMITTEES

(a) **Standing Committees:** The following are hereby established as standing committees: [Appellate](#); Candidate Review and Development Committee; Finance Committee; Grievance Committee; Legal Action Committee; and Professional Standards Committee.

(b) **Special Committees:** The Directors may from time to time create special committees with such duties, responsibilities, size and terms of office as shall be determined by the Directors.

SECTION 14.2: COMMITTEE MEMBERS AND CHAIRPERSONS

All committee members and all necessary replacements shall be appointed by the President, subject to confirmation by the Board of Directors. All committee chairpersons shall be appointed by the President subject to confirmation of the Board of Directors, except the Professional Standards Committee.

SECTION 14.3: DUTIES AND NOTICE

Standing committees and special committees shall have such duties and functions as are specified in these Bylaws or as may be assigned to them by the Directors. The President shall be an ex officio member of all standing and special committees except the Professional Standards Committee, and shall be notified of the meetings of all committees of which he/she is an ex officio member.

SECTION 14.4: COMPOSITION OF STANDING COMMITTEES

(a) **Finance Committee:** The Finance Committee shall consist of seven (7) members, one of whom shall be the Treasurer of the Association. The other six (6) members of the Finance Committee, except the Treasurer, shall be appointed for staggered terms so that the terms of two (2) members of this committee shall expire each year.

(b) **Legal Action Committee:** The Legal Action Committee shall consist of six (6) past members of the Board of Directors who shall be appointed to staggered terms of one, two and three years. No member of the committee, having served a full three (3) year term shall succeed him/herself on the committee. As the terms of these members expire, their successors shall be appointed for terms of three (3) years each.

(c) **Professional Standards Committee:** The Professional Standards Committee shall be composed of thirty-six (36) REALTOR® members in good standing. Not less than three (3) of these members shall be members who are primarily engaged in the appraisal business. Appointments made to replace committee members upon the expiration of their terms shall be for terms of three (3) years each. Any person who has been appointed for a three-year term shall not be eligible to serve again until a period of one year has elapsed after expiration of his or her term; provided, however, in the event the term of service has expired for the then Vice-Chairperson who automatically becomes Chairperson, then that person shall serve an additional one (1) year term on the Committee and shall be the thirty-seventh (37th) member of the committee.

Appointments made to replace committee members upon the expiration of their terms shall be for terms of three (3) years each. Any person who has been appointed for a three-year term shall not be eligible to serve again until a period of one year has elapsed after expiration of his or her term; provided, however, in the event the term of service has expired for the then Vice-Chairperson who automatically becomes Chairperson, then that person shall serve an additional one (1) year term on the Committee and shall be the thirty-fourth (34) member of the committee.

No member shall be eligible for appointment to this committee who has been fined, placed on probation or suspended from membership for a violation of the Code of Ethics within a three (3) year period preceding the beginning of such term of committee membership.

Any member found guilty of a violation of the Code of Ethics during his membership on this committee which results in a fine, suspension or being placed on probation shall immediately be ineligible to continue membership on this committee and shall be replaced.

No Director shall be a member of this committee and if any member of this committee is elected as a Director, he shall resign or be removed from the committee upon the commencement of office as a director.

~~(d) **Appellate Committee:** The Appellate Committee shall be composed of twelve (12) members, all of whom must have been either a chairperson or a vice chairperson of the Professional Standards Committee, or a member with a minimum of 3 years of experience on the Professional Standards Committee; provided, however, that not less than 6 members of the Appellate Committee must have had prior experience on the Review Board of the Professional Standards Committee. The members of the committee shall be appointed annually, and persons who have been disciplined by fine, probation, or suspension by decision of a Hearing Panel of the Professional Standards Committee shall be ineligible for service on the Appellate Committee for a period of three (3) years after such decision becomes final. In the event that there are not a sufficient number of willing or eligible members to serve on the committee, the President may appoint members who have had a minimum of three (3) years of experience on the Professional Standards Committee.~~

~~No member of the Professional Standards Committee shall simultaneously be a member of this committee.~~

~~(ed) **Candidate Review and Development Committee:** The Candidate Review and Development Committee shall be composed of seven (7) members. The composition shall be as follows:~~

~~President-Elect shall serve as Chairperson~~

~~Immediate past REALTOR® Director (who is licensed as a salesperson or licensed appraiser)~~

~~Immediate past REALTOR® of the Year~~

~~One of the retiring REALTOR® Directors (who is licensed as a broker or certified appraiser (as appointed by the President subject to confirmation by the Board of Directors)~~

~~One chairman of a standing committee (appointed by the President subject to confirmation by the Board of Directors)~~

~~At-large REALTOR® member (who is licensed as a salesperson or licensed appraiser, as appointed by the President subject to confirmation by the Board of Directors)~~

~~At-large REALTOR® member (who is licensed as a broker or certified appraiser, as appointed by the President subject to confirmation by the Board of Directors)~~

~~In the event that the immediate past REALTOR® of the Year conflicts with an existing member of the committee, the position will be filled by the REALTOR® of the Year once removed. To the extent that the committee membership is less than 7 after the above referenced appointments have been made, then the vacancies shall be filled from the appropriate class of member (appointed by the President subject to confirmation by the Board of Directors).~~

~~(fe) All other standing committees shall consist of such number of members as the Directors may from time to time determine and members shall be appointed for a term of one year.~~

SECTION 14.5: COMMITTEE MEMBER LIMITATIONS

~~Not more than two members affiliated or associated with the same firm, partnership or corporation may serve on any one of the following committees at the same time. If more than two members of any one of the following committees become affiliated or associated with the same firm, partnership, or corporation during the period of their service, the member or members whose terms on the committee would expire first shall no longer be eligible to serve on that committee: ~~Appellate Committee~~; Candidate Review and Development Committee; Finance Committee; Grievance Committee; and Legal Action Committee. Not more than four members affiliated or associated with the same firm, partnership or corporation may serve on the Professional Standards Committee at the same time. If more than four members of this committee become affiliated or associated with the same firm, partnership, or corporation during the period of their service, it shall be treated in the same manner as previously stated in this Section.~~

SECTION 14.6: REPORTS

~~All committees shall make such reports to the Directors and to the Association as may be requested by the Directors or required by these Bylaws.~~

SECTION 14.7: ACTIONS

~~All actions of committees except Professional Standards Committee ~~and Appellate Committee~~ shall be subject to the approval of the Directors.~~

SECTION 14.8: ABSENCES

~~Any committee member who is absent from three regularly scheduled meetings of a committee annually shall automatically forfeit his or her appointment, provided that upon written request, he or she may be reinstated by action of the Directors in the exercise of their discretion.~~

SECTION 14.9: REMOVAL

The President, with the approval of the Directors, shall have the power and authority to remove any member from any committee at any time for any cause or reason which the Directors shall deem to be adequate, and it shall not be necessary to identify such cause or reason in the records of the Association.

SECTION 14.10: QUORUM

At all committee meetings, a majority of the members then serving shall constitute a quorum except that when a committee consists of nine or more members, five members shall constitute a quorum.

ARTICLE 15 - LIQUIDATION OR DISSOLUTION

SECTION 15.1: LIQUIDATION OR DISSOLUTION

In the event of the liquidation or dissolution of the Association (which shall require two-thirds vote of all of the REALTOR® members who are licensed as brokers or certified appraisers), after payment of all obligations, the last Board of Directors shall cause all the rights, properties and assets of the Association of every kind and nature to be assigned, transferred, conveyed and delivered to such non-profit corporation or organization as the Board of Directors shall deem most likely to use the same to carry out the general purposes and objects for which this corporation was organized, and, in the event the Board of Directors shall fail, neglect or refuse to do so, then all the property, assets and rights of the Association shall be distributed to the Grand Rapids Foundation to be used for such real estate related educational and charitable uses exclusively in promoting the welfare of persons or institutions, now or hereafter residing or situated in the jurisdictional territory of the Association.

The purpose of this Article 15 is to provide assurance to members of the Association and others that no member, director, officer or employee of the Association will individually participate or share in any division or distribution of the property, assets or rights of the Association upon the liquidation or dissolution thereof.

ARTICLE 16 - MISCELLANEOUS PROVISIONS

SECTION 16.1: STANDARD FORMS

Model business forms, office forms and legal forms used in the conduct of real estate business may be prepared under the direction of the Directors and may be offered for sale to members.

SECTION 16.2: FISCAL AND ELECTIVE YEAR

The fiscal and elective year of the Association shall begin on the first day of January.

SECTION 16.3: RULES OF ORDER

The Officer presiding shall determine the rules of procedure and shall be guided by Robert's Rules of Order, latest edition, in all instances wherein its provisions do not conflict with these Bylaws. ~~The presiding Officer's decision on any procedural matter shall be final unless appealed to and overruled by the voting members present.~~

SECTION 16.4: VOTING

Except as may be otherwise specifically provided in these Bylaws, only REALTOR® members who are licensed as brokers or certified appraisers and whose financial obligations (either personally, or those of the firm in which he/she is a principal, stockholder or Designated REALTOR®) to the Association are current shall be entitled to vote. Members entitled to vote may vote in person at a meeting, or by written consent, as provided in the Association's Articles of Incorporation, but voting by proxy shall not be permitted.

SECTION 16.5: AMENDMENTS

These Bylaws may be amended by an affirmative vote of a majority of the REALTOR® members who are licensed as brokers or certified appraisers and REALTOR® Directors (who are licensed as salespersons) who are eligible to vote, present at any regular or annual meeting at the Association or at any special meeting called for that purpose; provided, however, that if at any such meeting there is no quorum present, then such amendment shall also be approved if within fourteen (14) days following the date of such meeting such amendment receives the affirmative vote of a majority of ballots cast via written or electronic means by those persons entitled to vote thereon, if the number of all votes cast via written or electronic means would have constituted a quorum at such meeting. Amendments to these Bylaws shall be proposed and submitted to the vote of the REALTOR® members who are licensed as brokers or certified appraisers only after first having been approved by the affirmative vote of two-thirds of the whole Board of Directors, or upon the signed petition of at least 20% of the REALTOR® members of the Association who are licensed as brokers or certified appraisers approving the amendment and requesting that the amendment be submitted to a regular meeting of the members or that a special meeting be called for the purpose of voting on the same.

SECTION 16.6: NOTICE OF AMENDMENTS

Due notice of the proposed amendments and of the meetings at which such amendments are to be considered must be given to every REALTOR® member who is licensed as a broker or certified appraiser at least twenty (20) days prior to the time of meeting.

SECTION 16.7: NATIONAL ASSOCIATION

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 17 - ETHICS AND ARBITRATION

SECTION 17.1: PROFESSIONAL STANDARDS AND ARBITRATION

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 Article 17 of these Bylaws, as from time to time amended.

SECTION 17.2: AUTHORITY OF PROFESSIONAL STANDARDS COMMITTEE

The Professional Standards Committee shall perform the following functions:

(a) The committee shall constitute a Board of Arbitration with the exclusive jurisdiction and power and authority to hear and determine matters:

(i) Involving business disputes between members of the Association, if the dispute concerns the application or interpretation of these Bylaws or the Multiple Listing Service Rules and Regulations.

(ii) Involving a dispute between any member of the Association and the Association, if it concerns the application or interpretation of these Bylaws or the Multiple Listing Service Rules and Regulations.

(b) The committee shall serve as a Board of Arbitration with the power and authority to arbitrate business disputes between members and non-members as provided in this Article 17.

(c) The committee shall serve as the committee of the Association designated to investigate and/or to hear and determine charges of unethical conduct filed against any member of the Association as provided in this Article 17.

SECTION 17.3: BUSINESS DISPUTES

(a) **Business Disputes Between or With Members:** Business disputes, as defined in the NAR Code of Ethics, between members or between entities with which they are associated, as well as disputes that arise out of the application or interpretation of these bylaws or the Multiple Listing Service Rules and Regulations between members or between entities with which they are associated, or between any member and the Association, shall be resolved through the arbitration process set forth in this Article 17 rather than by recourse to other tribunals; provided, however, 1) that disputes between members affiliated with the same firm shall not be subject to this Section unless all parties voluntarily sign an agreement to arbitrate the dispute and abide by the award (if any); and 2) that in the event any such claim arises out of facts and circumstances that support additional claims so as to invoke the legal doctrine of compulsory joinder of claims, then all such claims shall be submitted to the arbitration process and if the arbitration is declined pursuant to Section 17.8, then the parties shall be relieved of their obligation to arbitrate any of such claims and all may be pursued in other tribunals.

(b) **Business Disputes With Non-Members:** Business disputes between any member or between any firm, partnership, or corporation with which a member is associated and any non-member who is not affiliated with a member may be heard at the discretion of the Professional Standards Committee, but only if both the member (or the organization affiliated with the member) and the non-member sign an agreement to arbitrate the disputes and abide by the award, if any.

SECTION 17.4: ETHICS COMPLAINTS

Complaints of unethical conduct made against any member or against any firm, partnership, corporation or any other entity with which a member is associated ~~may must~~ be heard ~~at the discretion of by~~ the Professional Standards Committee if the complaint involves the application or interpretation of these Bylaws, the Multiple Listing Service Rules and Regulations, or the Code of Ethics of the National Association of REALTORS® which have been adopted by this Association.

SECTION 17.5: COMPLAINTS OF UNETHICAL CONDUCT

It shall be the duty of any member, officer or committee of the Association to file a complaint with the Professional Standards Committee concerning any alleged unethical conduct of a member of the Association, including any violation of these Bylaws, the Rules and Regulations of the Association, or the Code of Ethics. Such a complaint may also be filed by any individual who is not a member of the Association. Such complaints shall be filed and processed as provided in this Article 17.

SECTION 17.6: PROFESSIONAL STANDARDS COMMITTEE STRUCTURE

(a) The Professional Standards Committee shall elect its own vice-chairperson at a special election to be held not later than the second week of each calendar year. The President of the Association or, at his/her election, the immediate past-chairperson shall preside over this special election. The vice-chairperson shall automatically succeed to the position of chairperson the following calendar year; provided, however, if the position of vice-chairperson shall become vacant, a successor shall be elected by the same procedure as the previous vice-chairperson. Only those members who have had a minimum of two (2) years of experience on the Professional Standards Committee shall be eligible to serve as vice-chairperson.

(b) The Professional Standards Committee shall also elect one other member of the committee who has at least one year of service on the committee, and one alternate, to serve with the chairperson and vice-chairperson as the Review Board. Not more than one member who is associated with the same firm, partnership or corporation shall be eligible to serve on this Board at one time. The members of the Review Board shall serve for a term of one year, except for the vice-chairperson who shall serve a two-year term.

(c) The function of the Review Board shall be as follows:

(i) Review complaints and answers;

(ii) Determine nature of complaint (business dispute, membership dispute, charge of unethical conduct or combination of one or more);

(iii) Determine if a complaint shall be assigned to a hearing panel for hearing. (The complaining party may, within ten (10) days of the Review Board's determination, request a re-hearing of a decision not to hear upon showing of newly discovered evidence, relevant to the issues. The complaining party may also appeal a decision not to hear to the Board of Directors by filing written notice of appeal with the Chief Executive Officer within ten (10) days after the decision, which notice shall specify the reasons and grounds for appeal. The Directors shall have the authority, in the exercise of their discretion, to order the Professional Standards Committee to conduct a hearing on the complaint.);

(iv) Investigate complaints, require attendance of members and require the production of pertinent documents;

(v) Set hearing dates and assign hearings to the hearing panels;

(vi) Seek legal counsel when needed subject to such directives or policies as may be established by the Board of Directors from time to time.

(d) The Review Board shall appoint a Hearing Panel of six committee members (five of which shall constitute a quorum) whenever a determination is made that there is need for a hearing. The Review Board of the Professional Standards Committee shall also designate a chairperson for each Hearing Panel. Cases shall be assigned to Hearing Panels in such a manner as to share the burden of hearings. The committee members assigned to any hearing panel and the chairperson of the Panel may be changed by the chairperson of the Professional Standards Committee for reasons of conflict of interest or unavailability provided, however, no such change may be made for any hearing after the hearing has commenced unless the hearing is recommenced or the participants consent to a substitution. Not more than one member who is associated with the same firm, partnership or corporation shall serve on the same Hearing Panel.

SECTION 17.7: PRE-HEARING PROCEDURES

The procedures for filing of complaints and for hearings shall be identical whether the complaint involves a business dispute or a matter of ethics. However, in a business dispute, the Hearing Panel shall be acting as a Board of Arbitration while in a dispute between the Association and a member or in any ethics hearing, the Hearing Panel shall be acting on behalf of the Association as a voluntary association in dealing with a member.

(a) All such matters shall be initiated by the filing of a written complaint signed by the party making the complaint. In the case of a business dispute, the complaint shall contain a statement of the basis of the claim, the facts alleged to

support the claim, and the relief requested. In the case of a disciplinary complaint, the complaint must state the nature of the claim or charge and refer to the particular provision of the Bylaws, MLS Rules and Regulations, or Code of Ethics which the complaining party relies upon or claims has been violated so that the party charged (respondent) may be fully advised of the nature of the complaint. In the event a complaint by a non-member does not meet the specificity requirements of the preceding sentence, the Review Board shall formulate the specific charge by citing the provision(s) of the Bylaws, MLS Rules and Regulations, or Code of Ethics that appear(s) to have been violated based upon the written complaint, and the Review Board's formulation and the original complaint shall be submitted to the respondent for response.

No complaint shall be valid if filed more than one hundred eighty (180) days after the claim has accrued, provided, however, that this limitation period may be extended to a date one hundred eighty (180) days after the claimant first learned of the accrual of the claim where the claimant establishes, to the satisfaction of the Review Board of the Professional Standards Committee, that the accrual of the claim could not have been discovered earlier in the exercise of reasonable diligence; and provided further, that no claim shall be valid if filed more than three hundred sixty (360) days after the claim has accrued, unless extended by the Review Board as provided below. The claim shall be deemed to have "accrued" when all of the facts and circumstances necessary to form the basis of the claim have occurred or are in existence. The Review Board may extend the aforementioned limitation period for an additional period of up to one hundred eighty (180) days, in the exercise of the Review Board's sole and exclusive discretion, upon receipt of evidence demonstrating that the claimant had been making a good faith effort to resolve the dispute prior to the expiration of the limitation period.

(b) The Chief Executive Officer shall deliver or mail a copy of the complaint to the respondent, and the respondent shall file a written response to the allegations in the complaint within twenty (20) days of date of postmark or personal delivery, as the case may be. A respondent who is unable to file a written response within the original twenty (20) day period, or any extension granted, should file a written application for an extension, before the then current period expires, specifying the reason(s) why the extension is justified. Extensions may be granted or denied only by the Review Board, for such period and upon such conditions as that Board deems appropriate under the circumstances; provided, however, that the Chief Executive Officer may grant an extension for a period not exceeding the time until the next meeting of the Review Board where it appears that the applicant is making a good faith effort to make a timely response. Failure to file a response within the allowed time shall be treated the same as a failure to pay dues under Section 6.3, and may result in a separate charge against the respondent, in the discretion of the Review Board, for failure to comply with these Bylaws. The complaint and response shall be deemed privileged communications and shall not be the basis for any action alleging defamation or any other tort.

(c) Copies of the complaint and response shall be provided to members of the Review Board, as promptly as practical after the response has been filed. The Review Board shall consider the complaint and response at its next regular meeting, and shall decide if the matter meets the requirements of these Bylaws, and whether the matter should be assigned to a Hearing Panel for hearing.

(d) A copy of the decision of the Review Board shall be sent to all parties to the proceeding and, if the Review Board decides that a hearing should be held, the respondent's answer shall be forwarded to the complainant and all parties shall be notified of the scheduled hearing date.

(e) After a hearing date has been scheduled, the chairperson may grant a continuance or postponement to suit the convenience of the parties, but not more than one continuance shall be granted except for extraordinary reasons deemed sufficient by the Hearing Panel to which the matter was assigned.

(f) After a hearing between a member of the public and a member of the Association has been scheduled and if the complaint involved, in whole or in part, a business dispute, the Chief Executive Officer shall submit an arbitration agreement furnished by the Association to all of the parties whereby the parties agree to submit the dispute to arbitration and abide by the award. The parties shall be required to execute this agreement and return it to the Association at least two (2) days prior to the date of hearing as a condition precedent to the hearing.

(g) If a party to the hearing intends to be represented by legal counsel, that party shall notify the Chief Executive Officer and the other party or parties as to the name and address of the proposed legal counsel by written notice delivered at least ten (10) days prior to the date set for the hearing.

(h) The primary Designated REALTOR® or his/her REALTOR® member designee (other than the respondent) shall attend all hearings where his/her member licensee is the respondent. The Review Board reserves the right to require the primary Designated REALTOR® to attend in lieu of a designee.

(i) If a party to the hearing intends to present witnesses, that party shall make their own arrangements for witnesses to attend, and shall provide the names of the proposed witnesses to the Chief Executive Officer and the other party or parties by written notice delivered at least ten (10) days prior to the date set for the hearing.

(j) If any of the parties wish the hearing to be stenographically transcribed, that party shall notify the Chief Executive Officer at least ten (10) days prior to the date of the hearing, and that party shall pay the cost of the transcript, including the cost of a copy to be supplied to the Hearing Panel.

(k) A party shall provide all documents relevant to the issue to the Chief Executive Officer and the other party or parties at least ten (10) days prior to the date set for the hearing. No documents submitted after such ten (10) day limitation shall be received without the affirmative vote of a majority of the hearing panel.

(l) When the date of the hearing has been set, the Review Board shall assign the hearing to a Hearing Panel and copies of all materials shall be sent to each member of that Panel.

(m) It is the policy of the Association to encourage private, negotiated settlement of business disputes. However, after a complaint has been filed with the Association, no member shall, directly or indirectly, whether as part of the settlement process for resolving a business dispute or otherwise, pay anything of value or give any other consideration in exchange for the withdrawal of a complaint of unethical conduct by any nonmember or to induce such person(s) not to appear and give testimony or other evidence in support of such complaint.

SECTION 17.8: ASSOCIATION'S RIGHT TO DECLINE ARBITRATION

If either the Review Board of the Professional Standards Committee or the Hearing Panel determines that a business dispute should not be heard because the legal complexity or other unusual factors presented in the matter would require expertise other than that ordinarily possessed by real estate professionals, they shall so report to the Board of Directors, and, if the Board of Directors concurs, the arbitration shall terminate and the parties shall be relieved of their obligation to arbitrate the controversy.

SECTION 17.9: HEARING

(a) The chairperson of the Hearing Panel shall preside at each hearing. In his absence, the chairperson of the Professional Standards Committee shall appoint a chairperson pro tem.

(b) In the conduct of the hearing, the parties may present any witnesses and submit any documents relevant to the issue (subject to Section 17.6 of these Bylaws). Questions of relevancy shall be determined by the chairperson. Witnesses shall be sworn by the chairperson. Parties, or their legal counsel, if any, may cross-examine any witness and each party shall be accorded a full and fair opportunity to be heard.

(c) When summoned by a Hearing Panel to do so, it shall be a membership duty of every member to appear and testify at the hearing and to produce any records or data deemed pertinent to the case by the panel.

(d) Every party must arrange to have such witnesses as that party deems pertinent to the case present at the hearing, and the Hearing Panel may summon such members to appear as witnesses as the panel deems advisable.

(e) Each party, by virtue of membership, or by virtue of having filed a complaint if a non-member, waives any and all rights of action or claims against the Association, its members, any member of the Hearing Panel, any witness and the Board of Directors for any act or omission, including negligence, arising out of any transaction or occurrence pursuant to this Article 17.

(f) Upon the conclusion of the hearing, the Hearing Panel, as soon as is practical but not more than ten (10) days thereafter, shall consider the evidence and shall render a written decision. If the complaint involved charges of ethics violations, the decision shall also specify the reasons for its decision. If the complaint involved a business dispute, the decision shall specify the type or the amount of the award, if any. If the complaint involved charges for which the member could be disciplined, the Hearing Panel may find the charges unfounded or it may direct the imposition of such disciplinary action as it deems appropriate, as authorized in Article 17 of these Bylaws. The decision of the Hearing Panel shall be by majority vote of those present. The chairperson shall vote only when his vote would change the result, that is, to make or break a tie vote. The parties to the proceeding shall each be given a copy of the decision. If an award is made, it shall be satisfied within thirty (30) days of its rendition or as may be otherwise determined by the Hearing Panel.

(g) If the complaining party is a non-member involved in a business dispute with the member against whom he or she has made a charge of unethical conduct arising out of the same transaction, and if the non-member is not arbitrating or has refused to submit the business dispute to arbitration, the Hearing Panel may, in its discretion, and

notwithstanding the provisions of subsection (f) above, withhold its decision on the charge of unethical conduct until such time as the business dispute is finally resolved. If a majority of the Hearing Panel, in the exercise of their discretion, withholds their decision, they shall render the same within fifteen (15) days after said business dispute is finally resolved.

(h) In the event of a dispute involving both an ethics complaint and a business dispute, two separate hearings shall be held, each occurring on the same day, unless the Chairperson of the second Hearing Panel declares a postponement due to his/her opinion that both hearings could not reasonably be expected to conclude within the same day. No panel member may serve on both Hearing Panels, and the parties shall each be given a copy of the decisions only upon the conclusion of both hearings.

(i) Any party adversely affected by a decision of the Hearing Panel may, within ten (10) days after its rendition, make application to the Review Board for a rehearing upon showing of newly-discovered evidence, relevant to the issues, which could not have been discovered by diligent search prior to or during the hearing.

SECTION 17.10: DISCIPLINE

(a) Any member of the Association who shall fail to conform to any award in arbitration or who, after a hearing as provided in this Article, shall be found to have violated any of the Bylaws or the Rules and Regulations of the Association or the Code of Ethics, or to have engaged in any unethical conduct, may be censured, suspended, fined, required to attend a course or seminar (which the respondent could reasonably attend taking into consideration cost, location and duration), disciplined or expelled or may be suspended for a definite or indefinite period of time from participation in the Multiple Listing Service. Restitution may be used as an additional remedy where a Hearing Panel determines, after consultation with the Association's legal counsel, that a member found guilty in an ethics hearing has been unjustly enriched as a result of his or her conduct. The names of members found guilty of a violation of the Code of Ethics or other membership duty shall be published to the membership, subject to the following qualifications:

- (i) The violator is expelled or suspended for 30 days or more; or
- (ii) The violator has had a second violation occur within three (3) years (in which case at least one of the violations must be based on conduct which occurred after the date of adoption of this procedure).

Publication of the name, the Article violated, and the discipline imposed shall be made in a written and/or electronic communication vehicle intended primarily for members of the Association. Where the violator's name is similar to another member's name, the violator's license number or office address (or both) may also be published

(b) Failure to comply with or satisfy a decision of the Hearing Panel within the prescribed time shall be treated the same as nonpayment of dues, as provided in Article 6 of these Bylaws.

SECTION 17.11: APPEAL

(a) Any member adversely affected by a decision of a Hearing Panel on a complaint of unethical conduct may appeal the decision of the hearing panel to the ~~Appellate Committee~~ [Board of Directors](#) within ten (10) days after the decision is rendered or within ten (10) days after the denial of the rehearing in case a rehearing has been applied for and denied. Arbitration decisions of business disputes may not be appealed.

(b) A member who wishes to appeal shall file a written appeal with the Chief Executive Officer. The appellant must be specific in stating reasons why the Hearing Panel reached a wrong conclusion. The following principles shall apply in the appeal process:

- (i) The appeal is limited to the evidence submitted to the Hearing Panel -- new evidence may not be introduced on appeal.
- (ii) The appeal is to be based on the record made at the original hearing -- the appeal is not a second hearing of the case.
- (iii) The ~~Appellate Panel~~ [Board of Directors](#) will not normally overrule a finding of fact by a Hearing Panel.
- (iv) The ~~Appellate Panel~~ [Board of Directors](#) normally limits its review to the correct application of the Code of Ethics and/or these Bylaws to the facts as determined by the Hearing Panel.

(v) Rulings on evidence and matters of procedure at the hearing will not be the basis for reversal of a Hearing Panel decision except where the error is so material to the outcome as to deprive the appellant of an opportunity for a full and fair hearing.

(c) Promptly after receipt of a written appeal, the Chief Executive Officer shall forward copies of the appeal to the ~~chairperson of the Appellate Committee~~ President and the chairperson of the Hearing Panel involved. ~~The chairperson of the Appellate Committee shall select six (6) members of the committee to serve as the Appellate Panel (five of which shall constitute a quorum) to hear the appeal plus one member to serve as an alternate in the event one of the panel members is unable to serve. Not less than three (3) of the members appointed to the panel shall have had prior experience on the Review Board of the Professional Standards Committee. One of the panel members shall be designated chairperson of the Hearing Panel.~~ The President shall to preside over the appeal, and that person, in consultation with the Chief Executive Officer, shall schedule a date for oral argument. A written response to the appeal filed by the appellant shall be filed by the chairperson of the Hearing Panel involved, or his or her designee, within the (10) days after his or her receipt of the written appeal.

(d) All briefs and other written materials containing arguments by the parties shall be filed with the Chief Executive Officer not less than ten (10) days prior to the scheduled date for oral argument. Additionally, if the appellant intends to be represented by legal counsel, that party shall notify the Chief Executive Officer and the Chairperson of the Hearing Panel as to the name and address of the proposed legal counsel by written notice delivered at least ten (10) days prior to the date set for oral argument. The appellant and the chairperson of the Hearing Panel, or their respective designees, may appear at the scheduled time and present oral argument pertinent to the matter on appeal. Upon the conclusion of the oral argument, the ~~Appellate Panel Board of Directors~~, as soon as practical but not more than ten (10) days thereafter, shall consider the merits of the appeal and render a written decision. The decision shall be made by majority vote, and the parties shall be given a copy of the decision. The decision may affirm, modify or reverse the decision of the Hearing Panel except that alternative discipline exceeding that imposed by the Hearing Panel may not be ordered by the ~~Appellate Panel Board of Directors~~. If the decision is adverse to the conclusion of the Hearing Panel, further proceedings may be conducted consistent with the decision of the ~~Appellate Panel Board of Directors~~. If the decision is adverse to the appellant, no further appeals are allowed.

SECTION 17.12: OBLIGATION OF MEMBERS

The primary Designated REALTOR® with whom a REALTOR® is affiliated shall not be automatically joined in any ethics complaint. However, the primary Designated REALTOR may be joined as a respondent in the complaint by decision of the Review Board, or by determination of the Hearing Panel prior to the commencement of the hearing based on the facts of the complaint. The primary Designated REALTOR® joined in such complaint shall not be automatically found in violation of the Code of Ethics if the affiliated REALTOR® is judged in violation, but the finding should be based on the facts and merits of the case. Discipline of the primary Designated REALTOR®, if any, may vary from that imposed upon the affiliated REALTOR®.

SECTION 17.13: CONFIDENTIALITY

All information contained in the Association's files, documentary or otherwise, relating to disciplinary hearings and/or the arbitration of business disputes shall be confidential and shall not be disclosed to any person or entity other than the Association's employees, members, and legal counsel who need to know the information in the performance of their duties for the Association, and except as may be otherwise specifically provided by these bylaws. Notwithstanding the foregoing, the Board of Directors may, in instances involving matters that appear to involve a violation of law, regulation, or public trust, disclose any such information to the appropriate governmental agency or authority or to law enforcement, pursuant to the policy and procedures as may be adopted by the Board of Directors and amended from time to time.

ARTICLE 18 - INDEMNIFICATION

SECTION 18.1: OCCASIONS FOR INDEMNIFICATION

The Association shall indemnify any person who was or is a party, or who is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigation, by reason of the fact that he/she is or was a director or officer of the Association, or a member of any committee established by these Bylaws or by resolution of the Directors, to the full extent permitted by law.

ARTICLE 19 - MISCELLANEOUS

SECTION 19.1: NOTICES

Whenever any notice is required or permitted by these Bylaws, the notice shall be deemed effective if delivered in person, by messenger service, by electronic means, or by letter mailed first class addressed to the addressee's last

known address as shown in the Association's records. Notices shall be deemed to have been given as of the time of delivery, or as of the opening of business on the next business day following posting in the case of mail.

SECTION 19.2: FINANCIAL OBLIGATIONS

If charges, fees, fines or other assessments owed to the Association are not paid within thirty (30) days after the due date, the membership of the nonpaying member shall be suspended. Sixty (60) days after the due date, membership of the nonpaying member shall be terminated, unless within that time the amount due is paid or unless an acceptable payment arrangement has been made with the member at the discretion of the Board of Directors. However, no action shall be taken to terminate a member for nonpayment of amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had his/her membership terminated for nonpayment of charges, 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 in Section 6.5, after making payment in full of all accounts due as of the date of termination.

ARTICLE 20 - COMMON LOCK BOX SYSTEM

SECTION 20.1: ESTABLISHMENT OF A COMMON LOCK BOX SYSTEM

The Association shall establish a Common Lock Box System (sometimes referred to as the "System") for the use of its members and REALTOR® members of other Associations who are full MLS participants in the Association's MLS or which have entered into a reciprocal access agreement with the Grand Rapids Association of REALTORS® as herein prescribed. The purpose shall be to provide a uniform security system for those properties which are subject to inspection where access can be gained by use of a key or access card and, in addition, to provide a more economic and convenient delivery of service to the selling, buying and leasing public.

SECTION 20.2: PARTICIPATION

Participation in the Common Lock Box System shall be available to all REALTOR® members of the Association and to other members of the Association as may be authorized by the Board of Directors from time to time; or REALTOR® members of other Associations who are full MLS participants in the Association's MLS or which have entered into a reciprocal agreement with the Grand Rapids Association of REALTORS®. Any REALTOR® who is associated with a Participant in the System and who desires to obtain a key or access card, shall be required to enter into such Use Agreement as may be prescribed by the Board of Directors.

SECTION 20.3: AUTHORITY TO ADOPT RULES AND REGULATIONS

The Board of Directors may adopt a set of rules and regulations governing the use and operation of the System and prescribe the forms relating to its operation. The rules and regulations for the operation of the System and the terms and conditions of its agreements shall have the same force and effect as these Bylaws and all other Association rules upon the Designated REALTOR® or Designated REALTORS®, and upon any member who signs a Use Agreement and any violations thereof shall be subject to the obligations and procedure prescribed in Article 17 of these Bylaws.