

## **BYLAWS OF THE GROSSE POINTE BOARD OF REALTORS®**

Adopted April 16, 1986

Revised August 27, 2015

Revised June 28, 2018

### **ARTICLE I - NAME**

**Section 1. Name.** The name of this organization shall be the GROSSE POINTE BOARD OF REALTORS®, hereinafter referred to as the "Board".

**Section 2. REALTORS.** Inclusion and retention of the Registered Collective Membership Mark REALTORS in the name of the Board shall be governed by the Constitution and Bylaws of the National Association of REALTORS as from time to time amended.

**Section 3. Headquarters.** The principal office shall be within the jurisdictional boundaries of the Board.

### **ARTICLE II - OBJECTIVE**

The objectives of the Board are:

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

**Section 2.** To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the National Association of REALTORS®.

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

**Section 4.** To further the interests of home and other real property ownership.

**Section 5.** To unite those engaged in the real estate profession in this community with the Michigan Association of REALTORS® and the National Association of REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

**Section 6.** To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the National Association of REALTORS®.

### **ARTICLE III - JURISDICTION**

**Section 1.** The territorial jurisdiction of the Board as a Member of the National Association of REALTORS® shall include the areas of Wayne County, Michigan, known as the City of Grosse Pointe, the City of Grosse Pointe Farms, the City of Grosse Pointe Park, the City of Grosse Pointe Woods, and the Village of Grosse Pointe Shores.

**Section 2.** Territorial jurisdiction is defined to mean the right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the National Association of REALTORS®, in return for which the Board agrees to protect and safeguard the property rights of the National Association in the terms.

## ARTICLE IV - MEMBERSHIP

**Section 1.** There shall be six (6) classes of Members, as follows:

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

- (1) Individuals who, as sole proprietors, partners, or corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Michigan or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Board of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. (Amended 1/05)

In the case of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. (Amended 1/01)

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

- (2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.
- (3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to Board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local board, state association and National Association.
- (4) Primary and secondary REALTOR® Members. An individual is a primary member if the Board pays state and National dues on such Member. An individual is a secondary Member if state and National dues are remitted through another Board. One of the principals in a real estate firm must be a Designated REALTOR® Member of the Board in order for licensees affiliated with the firm to select the Board as their "primary" Board.
- (5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Board dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2 of the Bylaws.

(b) Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation award by an Institute, Society, or Council affiliated with the National Association of REALTORS® that addresses a

specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such members.

- (c) **Affiliate Members.** Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Board. Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the Board, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.
- (d) **Public Service Members.** Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account nor in association with an established real estate business.
- (e) **Honorary Members.** Honorary designees shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Board, or for the public. Any candidate for the Honorary designation shall receive the unanimous election of the Board of Directors.
- (f) **Student Members.** Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate but are not engaged in the real estate profession on their own account nor associated with an established real estate office.

## **ARTICLE V - QUALIFICATION AND ELECTION**

### **Section 1. Application.**

- (a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant:
  - (1) That applicant agrees as a condition to membership to become thoroughly familiar with the Code of Ethics of the National Association of REALTORS®, the Constitution, Bylaws, and Rules and Regulations of the Board, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Board, State and National Associations, and if a REALTOR® member, will abide by the Code of Ethics of the National Association of REALTORS®, including the obligation to arbitrate controversies arising out of all real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®, as from time to time amended, and
  - (2) That applicant consents that the Board, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Board by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.
- (b) An applicant who fails to complete the Board's Orientation Course may forfeit all rights and privileges of membership, as well as an administrative processing fee to cover the Board's costs. Should Board membership be desired at a future date, this person shall be required to reapply as a new member, pay the application fee and

appropriate dues, and complete all new member requirements in accordance with this Article.

- (c) A former member who left the Board in good standing and is reapplying within one (1) year from the expiration of the period for which the dues had been paid, upon written request to the Board, may be reinstated with an exemption from Orientation requirements previously completed.

**Section 2. Qualification.** To ensure reasonable and nondiscriminatory membership qualification for REALTOR® membership, this Board adopts the "Membership Qualification Criteria for REALTOR® Membership" (Appendix A) as set forth by the National Association, which by this reference is made a part of these Bylaws.

- (a) Applicants for REALTOR® membership who are sole proprietors, partners, corporate officers, or branch managers in a real estate firm shall supply satisfactory evidence to the Board through its membership committee or otherwise that they have the following:
1. A valid Michigan real estate license and are actively engaged in the real estate business and its recognized branches;
  2. A place of business within Michigan or a state contiguous thereto;
  3. No record of official sanctions involving unprofessional conduct;
  4. No recent or pending bankruptcy;
  5. Completion of the Board Orientation;
  6. Signified their intention to abide by the National Association of REALTORS® Code of Ethics; and
  7. Signed their intention to abide by the constitution, bylaws, policy and rules and regulations of the Grosse Pointe Board of REALTORS®, the Michigan Association of REALTORS®, and the National Association of REALTORS®.
- (b) Applicants for REALTOR® membership who are other than sole proprietors, partners, corporate officers, or branch managers in a real estate firm shall supply satisfactory evidence that they have the following:
1. A valid Michigan real estate license and are actively engaged in the real estate business and its recognized branches;
  2. Employed by or affiliated with a REALTOR® as an independent contractor;
  3. Must make written application for REALTOR® membership in the Board;
  4. Application must be countersigned by a REALTOR® who is a sole proprietor, partner, corporate officer or branch office manager of the firm;
  5. No record of official sanctions involving unprofessional conduct;
  6. Completion of the Board Orientation;
  7. Signified their intention to abide by the National Association of REALTORS® Code of Ethics; and
  8. Signed their intention to abide by the constitution, bylaws, policy and rules and regulations of the Grosse Pointe Board of REALTORS®, the Michigan Association of REALTORS®, and the National Association of REALTORS®.
- (c) **Affiliate.** An applicant for Affiliate membership shall supply evidence satisfactory to the Membership Committee that the applicant is employed by a firm, corporation or institution allied with or supportive to the real estate profession and if licensed, is engaged in real estate activities for the employer's account only other than selling real estate.
- (d) **Public Service.** An applicant for Public Service membership shall supply evidence satisfactory to the Membership Committee that the employment criteria as set forth in Article IV; is in sympathy with the Objectives of the Board; and if elected to membership, will comply with the Bylaws and Rules and Regulations of the Board.

**Section 3. Election.** The procedure for election to membership shall be as follows:

- (a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may be granted provisional membership immediately upon submission of a completed application form and

remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the board of directors.

(b) If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 90 days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.

(c) The board of directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the board of directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The board of directors may also have counsel present. The board of directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(d) If the board of directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Adopted 1/98, Amended 1/05)

#### **Section 4. New Member Code of Ethics Orientation.**

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

Failure to satisfy this requirement within the first two sessions offered following date of application will result in denial of membership as outlined in Section 3(a) above. This orientation program must meet the learning objectives and minimum criteria established from time to time by the National Association of REALTORS®.

#### **Section 5. Continuing Member Code of Ethics Training.**

Effective January 1, 2017, through December 31, 2018, and for successive two-year periods thereafter, each REALTOR® member of this Board shall be required to complete ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the Michigan 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 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 two-year cycle shall not be required to complete additional ethics training until a new two-year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty.

Failure to meet the requirement will result in suspension of membership for the first two months (January and February) of the year following the end of any two-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, amended 11/08, Amended 11/20/16)

## 6. Status Changes.

- (a) A REALTOR® who changes the conditions under which membership is held shall be required to provide written notification to the Board within thirty (30) days.
- (b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.
- (c) Dues shall be prorated from the first day of quarter in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

## ARTICLE VI - PRIVILEGES AND OBLIGATIONS

**Section 1.** The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article.

**Section 2.** Any member of the Board may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Board Rules and Regulations consistent with these Bylaws, after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the Board. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Board, such Members are encouraged to abide by the principles established in the Code of Ethics of the National Association of REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Membership Committee, or upon recommendations by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purpose of the local Board, the Michigan Association of REALTORS®, and the National Association of REALTORS®.

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

**Section 4.** Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Board for dues, fees, fines, or other assessments of the Board or any of its services, departments, divisions, or subsidiaries, the Board may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

**Section 5.** If a Member resigns from the association or otherwise causes membership to terminate with an ethics complaint pending the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

- (a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is

terminated, provided that the dispute arose while the former member was a REALTOR®.

**Section 6. REALTOR® Members.**

REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Board are paid in full shall be entitled to vote and to hold elective office in the Board; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests and welfare of the Board and the real estate profession.

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, or an officer of a corporation, and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled is removed from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Board by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporation officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is readmitted to membership in the Board. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, whichever may apply.

If a REALTOR® Member other than a sole owner in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

(b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.

**Section 7. Institute Affiliate Members.** Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the National Association of REALTORS®.

**Section 8. Affiliate Members.** Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

**Section 9. Public Service Members.** Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

**Section 10. Honorary Members.** Honorary Membership shall confer only the right to attend meetings and participate in discussions.

**Section 11. Student Members.** Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

**Section 12. Certification by Designated REALTOR®.** Designated REALTOR® Members of the Board shall certify annually to the Board, on a form provided by the Board a complete listing of all individuals licensed or certified with the Realtor's office(s) and shall designate a primary Board for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another Board based on said non-member licensees, the Designated REALTOR® shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. Designated REALTOR® Members shall also notify the Board of any additional individual(s) licensed or certified with the firm(s) within ten (10) days of the date of affiliation or severance of the individual.

**Section 13. Education.** The Board of Directors, as it deems necessary, may require that REALTOR® Members attend educational programs comprised of not more than six (6) hours of instruction on a biennial basis with respect to Board or Member practices that might result in a significant legal vulnerability and possible liability to the Board, its Members or a Member, such as violations of antitrust laws, agency laws, Civil Rights laws, the Code of Ethics of the National Association, or other similar public policies. If a Member holds membership in more than one Board, consideration will be given to the granting of a "credit" if the Member has attended a similar program conducted by another Board. Failure to meet the mandatory attendance requirement may result in disciplinary action against any Member of the Board as provided in Article VI, Section 2 of these Bylaws.

**Section 14. Harassment.** Any member of the association may be reprimanded, placed on probation, suspended, or expelled for harassment of an association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonable 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.

## **ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION**

**Section 1.** The responsibility of the Board and of Board Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®, as amended from time to time, subject to certain modifications recommended by MAR legal counsel to be consistent with the laws of the State of Michigan, and which is by this reference incorporated into these Bylaws.

**Section 2.** It shall be the duty and responsibility of every REALTOR® Member of this Board to abide by the Constitution and Bylaws and the Rules and Regulations of the Board, the Constitution and Bylaws of the Michigan Association of REALTORS®, the Constitution and Bylaws of the National Association of REALTORS®, and to abide by the Code



of Ethics of the National Association of REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Board as from time to time amended.

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

#### **ARTICLE VIII - USE OF THE TERMS REALTOR® AND REALTORS®**

Section 1. Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Board shall have the authority to control, jointly and in full cooperation with the National Association of REALTORS®, use of the terms within its jurisdiction.

Section 2. REALTOR® Members of the Board shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state, or a state contiguous thereto, are REALTOR® Members of the Board or Institute Affiliate Members as described in Section 1(b) of Article IV.

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

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

#### **ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS**

**Section 1.** The Board shall be a Member of the National Association of REALTORS® and the Michigan Association of REALTORS®. By reason of the Board's membership, each REALTOR® Member of this Board shall be entitled to membership in the National Association of REALTORS® and the Michigan Association of REALTORS® without further payment of dues. The Board shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

**Section 2.** The Board recognizes the exclusive property rights of the National Association of REALTORS® in the terms REALTOR® and REALTORS®. The Board shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

**Section 3.** The Board adopts the Code of Ethics of the National Association of REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Board and all of its Members agree to abide by the Constitution, Bylaws, Rules

and Regulations, and Policies of the National Association of REALTORS® and the Michigan Association of REALTORS®.

## **ARTICLE X - DUES, FEES, AND ASSESSMENTS**

**Section 1. Application Fee.** The Board of Directors may adopt an application fee for each classification of membership, not in excess of the annual dues for those classes. The fee for REALTOR® Membership shall be a reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Board upon final approval of the application.

**Section 2. Dues.** The annual dues of Members shall be as follows:

- (a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who: (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any Board in the state or a state contiguous thereto or Institute Affiliate Members of the Board. In calculating the dues payable to the Board by a Designated REALTOR® Member, non-member licensees are defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Board.

(1) For the purpose of this Section, a REALTOR® Member of this Board shall be held to be any Member who has a place or places of business within state or a state contiguous thereto and who, as principal, partner, or corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the National Association of REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

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

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

REALTOR-ASSOCIATE® membership during the preceding calendar year. (Amended 5/03, 11/09 and 11/14)

(b) REALTOR® Members. The annual dues of the Designated REALTOR® shall be as established annually by the Board of Directors.

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$105.00). The National Association shall credit (\$35.00) to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the (\$35.00) amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit (\$35.00) to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 11/2013)

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

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

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

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

### **Section 3. Dues Payable.**

Dues for all Members shall be payable annually in advance of the first day of January. Dues for new members shall be computed from the first day of the month in which a Member is notified of election and shall be prorated for the remainder of the year.

Option for provisional membership: If the board adopts Article V, Section 3 – Election, Option 3 for provisional membership, the language in Article X, Section 3 should be revised to state:

(a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for non-payment of Board dues, and the licensee remains with the Designated REALTOR® firm, the dues obligation of the Designated REALTOR® [as set forth in Article X, Section 2(a)] will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

**Section 4. Non-payment of Financial Obligations.** If dues, fees, fines or other assessments including amounts owed to the Board are not paid within one month after the due date, the non-paying Member is subject to suspension at the discretion of the Board of Directors. Two months after the due date, membership of the non-paying Member may be terminated at the discretion of the Board of Directors. Three months after due date, the membership of the non-paying member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a member for non-payment of disputed amounts until the Board of Directors has confirmed the accuracy of the amount owed. A former Member who has had the membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Board or any of its services, departments, divisions, or subsidiaries may apply for reinstatement in a

manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

**Section 5. Deposit.** Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

**5 (a) Expenditures.** The Board of Directors shall administer the finances of the Board but shall not incur an obligation in excess of \$5,000 over the available cash on hand without authorization by a majority vote of one-third of the Board's total REALTOR® Members.

**Section 6. Notice of Dues, Fees, Fines, Assessments, and other Financial Obligations of Members.** All dues, fees, fines, assessments, or other financial obligations to the Board shall be noticed to the delinquent Board Member in writing, setting forth the amount owed and due date.

**Section 7. Special Dues Recognitions.** The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents and Past Treasurers of the National Association, or recipients of the Distinguished Service Award shall be determined by the Board of Directors. (Amended 11/2013)

NOTE: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the Board is assessed for a REALTOR® Member, times the number of REALTOR® Emeriti (as recognized by the National Association), Past Presidents and Past Presidents of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® Members of the Board. The dues obligation of such individuals to the local Board should be reduced to reflect the reduction in the Board's dues obligation to the National Association. The Board may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Board's obligation to the State Association with respect to such individuals. Member Boards should determine whether the dues payable by the Board to the State Association are reduced with respect to such individuals. It should be noted that this does not affect a "designated" REALTOR® who are not Members of the local Board. (Amended 11/2013)

**Section 8. Accounting Services.** Accounting services shall be performed by Certified Public Accountants as designated annually by the Board of Directors. Services shall include either a review report or an audit report of the financial statements. The level of the report shall be determined by the Board of Directors. All accounting records shall be available for the accountants within forty-five (45) days after the end of the calendar year. The accountants' report shall be submitted to the Board of Directors for review and acceptance.

#### **ARTICLE XI - OFFICERS AND DIRECTORS**

**Section 1. Board of Directors.**

The governing body of the Board shall be a Board of Directors consisting of nine (9) elected REALTOR® Members; ten (10) members if the Immediate Past President is serving beyond the elected term; eleven (11) members if the President-Elect is serving the last year of the term as an elected director, as election to President shall automatically extend the directorship one (1) or two (2) years. (See Article XI, Section 3)

- (a) Three (3) REALTOR® Members shall be elected each year for terms of three (3) years each to fill the expiring terms on the Board of Directors.
- (b) Partial terms (one or two years) as Director, due to a vacancy filled in accordance with Section 6, shall be nominated and elected in the same manner as contained in Section 3 of this Article.
- (c) The term of office for each Director shall commence on January 1 following election. Each Director shall continue to serve until a successor is duly qualified and elected. No Director shall be elected to or serve more than eight (8)

consecutive years on the Board of Directors.

- (d) It is the desire of this membership to have its Board of Directors representative of a broad segment of the membership and firms, and not limited nor structured in any way to be dominated by any person, family interest, or company. Therefore, there shall be no more than two Directors from any one firm, partnership, or corporation serving on the Board of Directors at the same time.

**Section 2. Duties and Authority of Directors.** The Board of Directors shall be obligated to implement and enforce the Bylaws and shall have the authority to make interpretations thereof.

**Section 3. Officers.** Officers of the Board shall be a President, President-Elect, Vice President (who shall be the immediate Past President), Secretary, and Treasurer, each elected and willing to serve for a one-year term from and by the present Board of Directors at its organizational meeting in November. In the absence of unforeseen events, the President-Elect shall succeed to the office of President, and take office January 1 of the year immediately following the term as President-Elect, and in the following year succeed to the office of Vice President, subject to election thereto in both instances. If the President-Elect is serving the last year of the term as a Director, election as President shall automatically extend the directorship two (2) years, and the Board of Directors would then consist of up to eleven (11) Directors.

**Section 4. Duties of Officers.** The duties of the officers shall be such as their titles, by general usage, would indicate, and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Secretary to keep the records of the Board and to carry on all necessary correspondence with the National Association of REALTORS® and the Michigan Association of REALTORS®. The officers shall also serve as the Executive Committee of the Board.

**Section 5. Election of Directors.**

- (a) At least ninety (90) days prior to the Annual Meeting, a Nominating Committee shall be appointed by the President, subject to approval by the Board of Directors. The Nominating Committee shall be comprised of seven (7) REALTOR Members, all in good standing, each of whom shall have been a Member of the Board for at least three (3) years. The Nominating Committee shall be comprised of one (1) Past President, three (3) past or current Committee Chairmen at either the local, state, or national level, two (2) current or past Directors, and one (1) Member-at-Large. It shall be the duty of the Nominating Committee to nominate one or more Members in good standing to fill each expiring directorship position.
- (b) The report of the Nominating Committee shall be published to the membership not later than September 30.
- (c) Additional nominations may be made by petition signed by at least ten (10) percent of the Primary REALTOR® Membership. Said petitions must be received at the Board Office at least thirty (30) days prior to the Annual Meeting. Each petition shall contain not more than one nominee for a directorship. No person shall sign more than one petition for each available directorship.
- (d) A nominee whether reported out by the nominating committee or by petition shall have been a Primary REALTOR® Member of the Grosse Pointe Board for at least two years prior to the Annual Meeting and shall acknowledge acceptance as a candidate.
- (e) There shall be no more than two Director Nominees from any one firm, partnership or corporation.
- (f) At least twenty (20) days prior to the Annual Meeting, an official ballot shall be delivered to each REALTOR Member in the manner prescribed by the Board of Directors
- (g) Each elector shall vote for no more than the number of directorships to be filled. Any ballot voted improperly shall be voided.

- (h) The President, with the approval of the Board of Directors, shall appoint an Election Committee of three (3) Affiliate Members to oversee the election.
- (i) Only those ballots shall be counted which are received at the Board Office by 12:00 p.m. on the day prior to the Annual Meeting. The nominee for each directorship receiving the greatest number of votes shall be deemed elected; those members receiving the greatest number of votes shall be elected to the longest available terms. In case of a tie vote, the matter shall be decided by lot by the Election Committee.
- (j) The results of balloting for election of Directors shall be announced at the Annual Meeting.
- (k) The election of officers shall be published to the membership at the earliest possible date, indicating the successful candidates' names and office or title to which elected.
- (l) All election reports and documents shall be sealed in a package and filed at the Board Office until such time as they are destroyed by resolution of the Board of Directors.

**Section 6. Vacancies.** Vacancies among the Officers and Directors shall be filled by the Board of Directors until the next annual election.

**Section 7. Removal of Officers and Directors.** In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

- (a) A petition requiring the removal of an Officer or Director and signed by not less than one-third (1/3) of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- (b) Upon receipt of the petition, and not less than twenty (20) days, nor more than forty-five (45) days thereafter, a special meeting of the REALTOR® members of the Board shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.
- (c) The special meeting shall be noticed to all REALTOR® Members at least ten (10) days prior to the meeting and shall be conducted by the President of the Board unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting. Provided a quorum is present, a three-fourths (3/4) vote of Members present and voting shall be required for removal from office.

## ARTICLE XII - MEETINGS

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

**Section 2. Meetings of Directors.** The Board of Directors shall designate a regular time and place of meetings. Absence from three regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation. A quorum for the transaction of business shall be a majority of the board of directors, except as many otherwise be required by state law. (Amended 05/2013)

**Section 3. Other Meetings.** Meetings of the Membership may be held at other times as the President or the Board of Directors may determine or upon the written request of at least ten (10) percent of the REALTOR® Members of the Board eligible to vote.

**Section 4. Notice of Meetings.** Written notice shall be given to every Member at least one week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting and shall identify all items to be voted.

**Section 5. Quorum for Membership Meetings.** A quorum for the transaction of business at general and/or special meetings of the membership shall consist of fifteen (15) percent of the members eligible to vote, except as may otherwise be required by state law. (Amended 05/2013)

**Section 6. Electronic Transaction of Business.** To the fullest extent permitted by law, the board of directors or membership may conduct business by electronic means. (Adopted 1/05)

**Section 7. Action without Meeting.** Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the chief staff executive to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date. (Adopted 1/05)

#### ARTICLE XIII - COMMITTEES

**Section 1. Standing Committees.** The President shall appoint from among the membership, subject to confirmation by the Board of Directors, those committees necessary to carry out the objectives of the Strategic Plan, except that only REALTOR® members shall serve on the Grievance or Professional Standards Committees. Appointments to the Professional Standards Committee and the Grievance Committee shall be consistent with the cooperative professional standards enforcement agreements of the Board.

**Section 2. Special Committees.** The President may appoint ad hoc and special committees, subject to confirmation by the Board of Directors.

**Section 3. Task Forces.** The President may appoint task forces deemed necessary, subject to confirmation by the Board of Directors.

**Section 4. Organization.** All Committees and Task Forces shall be of such size and shall have such duties, functions, and powers as may be assigned by the President or the Board of Directors, except as otherwise provided in these Bylaws.

**Section 5. President.** The President shall be an ex-officio member of all Standing Committees and shall be notified of their meetings.

#### ARTICLE XIV - MULTIPLE LISTING SERVICE

As of 1998, the Grosse Pointe Board of REALTORS® ceased administering its own multiple listing service and the individual brokers contracted with another vendor. If the Grosse Pointe Board of REALTORS® chooses at some future date to reinstitute its own multiple listing service, it must be consistent with the rules and regulations of the National Association of REALTORS®.

#### ARTICLE XV - FISCAL AND ELECTIVE YEAR

**Section 1.** The fiscal and elective year of the Board shall be the calendar year.

#### ARTICLE XVI - RULES OF ORDER

**Section 1.** Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the

Board, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

#### **ARTICLE XVII - AMENDMENTS**

**Section 1.** An amendment to these Bylaws may be proposed by any of the following methods:

- (a) Action of the Board of Directors, or
- (b) Written petition of not less than ten (10) percent of the REALTOR® Members in good standing, presented to the Board of Directors, or
- (c) Resolution passed at a Membership Meeting by a majority vote of the REALTOR® Members present. Said resolution shall be presented to the Bylaws Committee for proper wording.

**Section 2.** Except as provided in Article IX, these Bylaws may be amended by either of the following methods:

- (a) By a majority vote of the REALTOR® Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.
- (b) Notice of all meetings at which amendments are to be considered shall be communicated to every REALTOR® member at least one week prior to the meeting.
- (c) By a majority vote of the REALTOR® Members qualified to vote and casting their ballots. The proposed amendment shall be sent to the REALTOR® Members with a ballot at least twenty (20) days prior to the deadline for receipt of ballots, as established by the Board of Directors, and the deadline so noted on the ballot. An amendment issue must receive returned ballots representing at least fifteen (15) percent of the REALTOR® Members.

**Section 3.** Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Board shall become effective upon their approval as authorized by the Board of Directors of the National Association of REALTORS®.

#### **ARTICLE XVIII - DISSOLUTION**

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



**APPENDIX A**

**MEMBERSHIP POLICY & PROCEDURES  
of the National Association of REALTORS®**

**MEMBERSHIP QUALIFICATION CRITERIA OF THE NATIONAL ASSOCIATION  
(For applicants for REALTOR® membership who are sole proprietors, partners, corporate officers,  
or branch office managers in a Real Estate Firm.)**

The following Membership Qualification Criteria are the most rigorous qualifications which may be required by a Board of REALTORS® in the consideration of an applicant for REALTOR® Membership who is a sole proprietor, partner, or corporate officer in a real estate firm. They were developed by the Membership Committee, National Association, to provide "reasonable and nondiscriminatory written requirements for membership." The 7-Point Criteria and explanatory notes as to their appropriate application have the approval of legal counsel, National Association, and were approved by the Board of Directors of the National Association of REALTORS® February 5, 1974, and amended in 1982, 1985, 1987, 1990, 1991, and 1996.

Applicants for REALTOR® Membership may be required to supply satisfactory evidence that they have:

1. A VALID REAL ESTATE LICENSE (AND ARE ACTIVELY ENGAGED IN THE REAL ESTATE BUSINESS AND ITS RECOGNIZED BRANCHES).

Explanation: "A valid real estate license" is intended to mean that applicants for REALTOR® Membership must maintain a current, valid real estate associate broker's or salesperson's license or must be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.

The term "actively engaged" in business contemplates that the licensed or certified applicants will have an office for the conduct of real estate business and shall hold themselves out to the public as being actively engaged in the real estate business, and shall actively seek and service real estate business. It does not contemplate that applicants must devote all or even a majority of their time to the real estate business or derive any particular percentage of their income from such business. It does not contemplate that applicants shall have no other job or occupation.

Where question arises as to whether or not applicants are "actively engaged" in the real estate business, they shall be given the opportunity to present evidence concerning the actual and intended scope of their business activities. In the event any applicant for membership is rejected on the basis of failure to be "actively engaged", the Board should promptly seek a declaratory judgment from a court of competent jurisdiction affirming the propriety of such rejection.

2. A PLACE OF BUSINESS WITHIN THE STATE OR A STATE CONTIGUOUS THERETO.

3. NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT.

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

4. MEMBERSHIP FILE

Qualification: Associations may, at their discretion, also consider the following in determining an applicant's qualifications for membership:

- a. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three years.

- b. Pending ethics complaints (or hearings).
- c. Unsatisfied discipline pending.
- d. Pending arbitration requests (or hearings).
- e. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.

“Provisional” membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (provided all other qualifications for membership have been satisfied.) Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters, and related discipline have been resolved or within six months from the date that provisional membership is approved, if such matters have not been resolved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership.

If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant’s certification to 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.

5. NO RECENT OR PENDING BANKRUPTCY.

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

5. COMPLETED THE BOARD ORIENTATION COURSE.

Qualification: It is presumed that the Orientation Course to be completed as a prerequisite for membership is confined to the subjects of the Constitution, Bylaws, policies, rules and regulations of the local Board, State Association, and the National Association as well as the Code of Ethics of the National Association. It is not contemplated that completion of the Orientation Course covering topics included in the licensing examination will be required for qualification.

6. SIGNIFIED THEIR INTENTION TO ABIDE BY THE NATIONAL ASSOCIATION OF REALTORS® CODE OF ETHICS.

7. SIGNIFIED THEIR INTENTION TO ABIDE BY THE CONSTITUTION, BYLAWS, POLICY, AND RULES AND REGULATIONS OF THE LOCAL BOARD, STATE ASSOCIATION, AND THE NATIONAL ASSOCIATION OF REALTORS®

By signing the Membership application, applicants assume a continuing membership obligation.

APPENDIX B

**MEMBERSHIP POLICY & PROCEDURES**  
of the National Association of REALTORS®

**MEMBERSHIP QUALIFICATION CRITERIA OF THE NATIONAL ASSOCIATION**  
**(For applicants for REALTOR® membership who are other than sole proprietors, partners,**  
**corporate officers, or branch office managers in a Real Estate Firm.)**

The following criteria of membership are identical in purpose with the Membership Criteria for REALTORS® who are principals in a real estate firm. They are the most rigorous qualifications which may be required by a Board of REALTORS® in the consideration of an applicant for REALTOR® Membership who is other than a sole proprietor, partner, or corporate officer in a real estate firm. They were developed by the Membership Committee, National Association, to provide "reasonable and nondiscriminatory written requirements for membership." The Board may elect to adopt all, some, or none of the Criteria, but those that are adopted must be included in the Board's bylaws. The following criteria and explanatory notes have the approval of legal counsel, National Association, and were approved by the Board of Directors of the National Association of REALTORS® in November 1974, and amended in 1983, 1990 and 1996.

Applicants for REALTOR® Membership who are other than sole proprietors, partners, corporate officers or branch office managers of a real estate firm may be required to supply satisfactory evidence that they have:

1. A VALID REAL ESTATE LICENSE (AND ARE ACTIVELY ENGAGED IN THE REAL ESTATE BUSINESS AND ITS RECOGNIZED BRANCHES).

Explanation: "A valid real estate license" is intended to mean that applicants for REALTOR® Membership who are other than sole proprietors, partners, corporate officers, or branch managers in a firm engaged in the real estate business must maintain a current, valid real estate associate broker's or salesperson's license or must be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.

The term "actively engaged" in business contemplates that the licensed or certified applicants will have an office for the conduct of real estate business and shall hold themselves out to the public as being actively engaged in the real estate business, and shall actively seek and service real estate business. It does not contemplate that applicants must devote all or even a majority of their time to the real estate business or derive any particular percentage of their income from such business. It does not contemplate that applicants shall have no other job or occupation.

Where question arises as to whether or not applicants are "actively engaged" in the real estate business, they shall be given the opportunity to present evidence concerning the actual and intended scope of their business activities. In the event any applicant for membership is rejected on the basis of failure to be "actively engaged", the Board should promptly seek a declaratory judgment from a court of competent jurisdiction affirming the propriety of such rejection.

2. EMPLOYED BY OR AFFILIATED WITH A REALTOR® AS AN INDEPENDENT CONTRACTOR.

Explanation: The basic qualification is employment or affiliation with a REALTOR®. The qualification is met by individuals regardless of whether they operate out of the principal office of the REALTOR® or a branch office.

3. MUST MAKE WRITTEN APPLICATION FOR REALTOR® MEMBERSHIP IN THE BOARD.

Such application must be a voluntary act by applicants and cannot be a requirement of the Board. The Board may not require that salespersons affiliated with a REALTOR® be members of the Board; neither can the Board require that the REALTOR® have such a requirement.

#### 4. MEMBERSHIP FILE

Qualification: Associations may, at their discretion, also consider the following in determining an applicant's qualifications for membership:

- f. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three years.
- g. Pending ethics complaints (or hearings).
- h. Unsatisfied discipline pending.
- i. Pending arbitration requests (or hearings).
- j. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (provided all other qualifications for membership have been satisfied.) Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters and related discipline have been resolved or within six months from the date that provisional membership is approved, if such matters have not been resolved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership.

If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification to 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.

5. SIGNIFIED THEIR INTENTION TO ABIDE BY THE NATIONAL ASSOCIATION OF REALTORS® CODE OF ETHICS.

6. SIGNIFIED THEIR INTENTION TO ABIDE BY THE CONSTITUTION, BYLAWS, POLICY, AND RULES AND REGULATIONS OF THE LOCAL BOARD, STATE ASSOCIATION, AND THE NATIONAL ASSOCIATION OF REALTORS®

By signing the Membership Application, applicants assume a continuing membership obligation.

7. COMPLETED THE BOARD ORIENTATION COURSE.

Explanation: It is presumed that the Orientation Course to be completed as a prerequisite for membership is confined to the subjects of the Constitution, Bylaws, policies, rules and regulations of the local Board, State Association, and the National Association as well as the Code of Ethics of the National Association. It is not contemplated that completion of the Orientation Course covering topics included in the licensing examination will be required for qualification.

8. ACKNOWLEDGEMENT OF APPLICATION.

Associations may require that applications for membership submitted by non-principal brokers, sales licensees, and licensed or certified appraisers be acknowledged and counter-signed by a REALTOR® who is a sole proprietor, partner, corporate officer, or branch office manager of the firm.

## APPENDIX C

**Supplemental Membership Policy Statements**  
**Approved by the Board of Directors of the National Association of REALTORS®**

**CONCERNING IMPLEMENTATION OF BOARD OF CHOICE**

The primary board of affiliation elected by a REALTOR® must be in the state where the REALTOR® is licensed and maintains his/her principal place of business. Licensees affiliated with a REALTOR® firm may choose as their "primary" board any board in the state where the firm maintains a "Designated" REALTOR®.

Membership shall be available in a secondary board on terms and conditions no more stringent than the requirements established in the board's Bylaws for REALTOR® and (REALTOR-ASSOCIATE® where applicable) membership. The privileges of membership shall be the same including the right to vote and hold office. Membership will be granted to individuals who hold REALTOR® or REALTOR-ASSOCIATE® membership in their primary board without any requirement that the Designated REALTOR® they are licensed or affiliated with hold membership in the secondary board. However, MLS services will only be available if the Designated REALTOR® participates in the MLS. Board dues shall not include a national allocation since NAR dues have been paid through the member's primary board. A state allocation may only be included if the member's primary board is located in a different state.

REALTORS® shall be entitled to purchase services from boards other than their primary board without the necessity of holding membership in those boards. Service fees will be determined by the individual boards. However, the board may require that a REALTOR® (principal) be licensed in the state as a condition of MLS participation. (Adopted 2/94; amended 11/96)

**Concerning Board of Choice Across State Lines**

That the membership choices currently provided under Board of Choice be expanded across state lines as follows:

Members may join a primary board across contiguous state lines. State association membership would be in the state where primary board membership is held. To become effective July 1, 1996, with optional local board adoption sooner. (Adopted 11/95)

**Portability of Membership Records (Files)**

In order to facilitate timely processing of applications for membership and to assist associations in determining an applicant's qualification for REALTOR® or REALTOR-ASSOCIATE® membership, associations shall, based on a request from another association, share information about current or former members. Minimum "core" member information shall include:

1. Previous applications for membership

All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years (when available) Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties Incomplete or (pending) disciplinary measures Pending arbitration requests (or hearings) Unpaid arbitration awards or unpaid financial obligations to the association or its MLS.

An association may, at its discretion, consider information received from other associations when determining whether an applicant satisfies the association's membership requirements as established in the association's bylaws (not to exceed NAR's Membership Qualification Criteria). (Adopted 2/96)

**Clarification of the Term "Principal"**

The term "principal" as used in the NAR Constitution and Bylaws and in other relevant policies, includes licensed or certified individuals who are sole proprietors, partners in a partnership, officers or majority shareholders of a corporation, or office managers (including branch office managers) acting on behalf of principals of a real estate firm. (Adopted 11/96)

## Secondary Membership in a Board/Association

When a member has joined a primary association and paid local, state, and national dues, secondary membership may be held in a local association in another state (provided the applicant meets all of the qualifications for membership) without holding membership in that state association, or alternatively, secondary membership may be held directly in the state association without holding membership in a local association in that state. (Adopted 11/96)

## Membership Requirements Related to Multiple Office Locations

When considering an applicant for REALTOR® membership who is a principal in a real estate firm, associations have an obligation to determine that all of the principals of the real estate firm who are actively engaged in the real estate business in the state are either applying for or already hold REALTOR® membership (or Institute Affiliate membership, if applicable) in a board or association. (Adopted 11/96)

If an association (local, state, national) is notified by another association that a REALTOR® member has an office location elsewhere in the state that is not functioning as a "REALTOR®-office" (i.e., licensees affiliated with the office are not members or are not accounted for under the DR dues formula) the association where the REALTOR® holds primary membership shall be responsible, in cooperation with the state and national associations, for ensuring compliance with applicable membership policies (i.e., that said licensees hold membership in the Realtor's primary association - or some other association in the state where the firm maintains a designated REALTOR® presence - or that dues have been paid to an association based on non-member licensees affiliated with the office. (Adopted 11/96)

GPBR bylaws revised and approved:

04/16/1986

2/17/88

11/15/89

11/1/93

11/2/94

9/30/98

11/6/01

03/21/06

11/06/07

6/29/2009

7/10/2009

05/08/2014

08/27/2015 (approval of NAR language NAR Approval not required)

07/21/2016 Approved NAR (Bylaws, Policies & Procedures, Staff Manual)

06/28/18 Approved NAR Mandated changes (NAR or membership approval not required)