

**MID-ATLANTIC REALTY SERVICES, INC.**

**BY-LAWS**

**TABLE OF CONTENTS**

ARTICLE 1	Name	Page 1
ARTICLE 2	Financial Matters	Page 1
ARTICLE 3	Governing Body and Documents	Page 2
ARTICLE 4	Officers	Page 2
ARTICLE 5	Board of Directors	Page 5
ARTICLE 6	Nomination and Election of Directors	Page 7
ARTICLE 7	Vacancy	Page 7
ARTICLE 8	Meetings	Page 8
ARTICLE 9	Fiscal Year and Elective Year	Page 8
ARTICLE 10	Amendments to By-Laws of the Corporation	Page 9
ARTICLE 11	Parliamentary Procedure	Page 9
ARTICLE 12	Indemnification	Page 9
ARTICLE 13	Dissolution	Page 11

## **BY-LAWS**

### **MID-ATLANTIC REALTY SERVICES, INC.**

#### **ARTICLE 1.**

##### **Name**

The name of the corporation shall be the Mid-Atlantic Realty Services, Inc., hereinafter referred to as “the Corporation”, all the shares of stock of which shall be solely and wholly-owned by The Carroll County Association of REALTORS®, Inc. (“CCAR”) and the Greater Baltimore Board of REALTORS®, Inc., (“GBBR”), The Harford County Association of REALTORS®, Inc. (“HaCAR”) and the Howard County Association of REALTORS®, Inc. (“HoCAR”). CCAR, GBBR, HaCAR and HoCAR shall be hereinafter referred to, collectively, as “the Associations” and, individually, as “the Association.” The Associations, as the sole stockholders of the authorized and outstanding stock of the Corporation, are also referred to in these By-Laws as “the Stockholders”.

#### **ARTICLE 2.**

##### **Financial Matters**

###### Section 1: Budget.

It shall be the duty of the Board of Directors of the Corporation to adopt a budget of expenses in keeping with the projected income of the Corporation. The budget shall be supervised annually by the Board of Directors of the Corporation and no expenditure of the Corporation’s funds not provided for in said budget shall be made unless first approved by the Board of Directors of the Corporation.

###### Section 2: Deposits.

All monies or other negotiable instruments received by the Corporation for any purpose shall be deposited to the credit of the Corporation in such federally insured banks, trust companies or other financial institutions as shall be designated from time to time by the Board of Directors of the Corporation.

###### Section 3: Checks, Drafts, Etc.

Subject to the provisions of Section 1 of this Article 2, all checks, drafts, orders for payment of money, and all authorized notes or other evidences of indebtedness (individually and collectively, the “Instruments”) may be signed only by the persons and in the manner provided below.

- (i) Two elected Officers may co-sign Instruments, in any amount;

- (ii) An elected Officer may co-sign with the Executive Vice President, Instruments in any amount;
- (iii) The President or Executive Vice President may sign without any co-signature, Instruments in an amount not in excess of five hundred dollars (\$500.00);
- (iv) No Instruments shall be signed by an Officer or employee of the Corporation which contain a blank for the payee or the amount of the Instrument.

## ARTICLE 3.

### **Governing Body and Documents**

#### Section 1: Governance of the Corporation.

The governance of the Corporation shall be vested in a Board of Directors comprised of the elected Officers and Directors nominated and elected as described in these By-Laws.

#### Section 2: Governing Documents of the Corporation.

The Corporation shall conform, at all times, to the Corporate Charter, By-Laws, Rules, Regulations, Policies, Practices and Procedures of the Corporation to the Constitution, By-Laws, Rules, Regulations, Policies, Practices and Procedures of the NATIONAL ASSOCIATION OF REALTORS® and the Handbook on Multiple Listing Policy, specifically the minimum lock-box security requirements, as established and amended, from time to time, by the NATIONAL ASSOCIATION OF REALTORS®. The Corporation shall not adopt, implement, or amend its Corporate Charter, By-Laws, Rules, Regulation, Policies, Practices and Procedures unless such adoption, implementation or amendment shall be first approved by the Board of Directors of the Associations in their absolute and sole discretion and no such adoption, implementation or amendment shall be effective unless first approved by the Board of Directors of the Associations in their absolute and sole discretion.

## ARTICLE 4.

### **Officers**

#### Section 1: Number of Officers.

The elected Officers of the Corporation, shall be: a President, a Vice President and a Secretary-Treasurer and shall have such duties as described in this Article 4. The officers shall be elected by the Board of Directors of the Corporation as provided in Article 5, Section 1 of these By-Laws.

#### Section 2: Term of Office.

Subject to the provisions of Section 4(f) of this Article, the elected Officers of the Corporation shall serve for the term of one (1) year from the date of their election , or until their respective successors are duly elected, qualified and installed. The Executive Vice President, if employed

as provided in Section 4(d) of this Article 4, shall serve until the expiration or earlier termination of the Executive Vice President's written employment agreement with the Corporation. No Officer shall be nominated and elected to the same office for more than two consecutive terms.

### Section 3: Election and Qualification.

Each elected Officer of the Corporation must be a primary or secondary member, in good standing, of the Associations and must also be a member of the Board of Directors of the Corporation or a Director-Nominee at the time of election to office and at all times while such office is held. No more than one (1) office may be held by the same person at the same time and no Officer shall execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required by law, or by these By-Laws, to be executed, acknowledged or verified by any two or more Officers. The President of the Corporation for the elective year commencing January 1, 2008, shall be a member of CCAR, in good standing. For the elective year commencing January 1, 2009, and for each elective year thereafter, the President of the Corporation shall be a member, in good standing, of the designated Association on a four (4) year rotation basis for each Association.

By way of illustration, the following rotation schedule shall be applicable:

GBBR – January 2009 and every fourth (4<sup>th</sup>) year thereafter  
HaCAR – January 1, 2010 and every fourth (4<sup>th</sup>) year thereafter  
HoCAR – January 1, 2011 and every fourth (4<sup>th</sup>) year thereafter  
CCAR – January 1, 2012 and every fourth (4<sup>th</sup>) year thereafter

### Section 4: Duties of the Officers.

In order of superiority, the duties of the Officers of the Corporation shall be as follows:

- (a) President: The President shall be the chief executive officer of the Corporation. It shall be the President's duty to assume general supervision of the affairs of the Corporation; to preside at all meetings of the Stockholder and of the Board of Directors of the Corporation; to appoint all committees, except as otherwise provided for in these By-Laws, and to see that the provisions of these By-Laws and any Rules and Regulations of the Corporation are followed and enforced. The President may execute, in the name of the Corporation, all deeds, mortgages, contracts or other instruments duly authorized by the Board of Directors of the Corporation, except in cases in which the execution thereof shall have been expressly delegated by the Board of Directors of the Corporation to some other Officer or agent. The President shall, in general, perform all duties and have all powers ordinarily incident to the office of a president of a corporation and shall perform such other duties and shall have such other powers as may be assigned from time to time by the Board of Directors of the Corporation.
- (b) Vice President: The Vice President shall perform all the duties of the President in the President's absence or inability to act and shall perform such other duties and have such

other powers as may be assigned from time to time by the President or by the Board of Directors of the Corporation.

- (c) Secretary-Treasurer: The Secretary-Treasurer shall perform all the duties of the Vice President in the Vice President's absence or inability to act, and shall perform such other duties and have such other powers as may be assigned from time to time by the President or by the Board of Directors of the Corporation. It shall also be the responsibility of the Secretary-Treasurer to see that complete and proper minutes of all meetings of the Board of Directors of the Corporation and all other committees are kept and that copies of all minutes of the Board of Directors of the Corporation are sent to the members thereof and are presented to the Board of Directors at their next meeting. The Secretary-Treasurer shall see that all notices are duly given in accordance with the provisions of these By-Laws, unless otherwise provided, and shall keep and file, or cause to be kept and filed, all documents committed to the custody of the Secretary-Treasurer. The Secretary-Treasurer shall be custodian of the records and of the corporate seal of the Corporation and shall see that the corporate seal is affixed to all documents, the execution of which on behalf of the Corporation, under its seal, has been fully authorized, and, when so affixed, may attest the same. In addition, the Secretary-Treasurer shall keep, or cause to be kept, a record of attendance of the Board of Directors of the Corporation and shall be responsible for the enforcement of any and all policies of the Corporation pertaining thereto.

The Secretary-Treasurer shall chair the Finance Committee of the Corporation. In addition, the Secretary-Treasurer shall have charge of, and be responsible for, all funds, securities and disbursements of the Corporation and shall receive and deposit, or cause to be received and deposited, in the name of the Corporation, all monies and other valuable effects of the Corporation, in such banks, trust companies, or other financial institutions as shall from time to time, be selected by the Board of Directors of the Corporation. The Secretary-Treasurer shall render to the President and to the Board of Directors of the Corporation, periodically, and whenever requested, an account of the financial condition of the Corporation and shall, in general, perform all duties ordinarily incident to the office of a secretary-treasurer of a corporation. The Secretary-Treasurer with the approval of the Board of Directors of the Corporation, may delegate any part of the Secretary-Treasurer's duties and powers to the Executive Vice President, provided that the Secretary-Treasurer shall continue to be responsible for the supervision and proper performance thereof.

- (d) Executive Vice President: The Board of Directors of the Corporation may employ an Executive Vice President who, if employed, shall be the chief administrative and operations officer of the Corporation and who shall serve in accordance with the terms of a written employment agreement between the Executive Vice President and the Corporation as approved by the Board of Directors of the Corporation. In addition, to any duties prescribed by the said employment agreement, the Executive Vice President shall have, and shall be charged with, the supervision of the entire administrative staff of the Corporation and shall have and perform such other duties as may be assigned from time to time by the President or by the Board of Directors of the Corporation. The Executive Vice President shall not engage, either directly or indirectly, in the real estate business while serving as the Executive Vice President.

- (e) Assistant Officers: The Board of Directors shall have the power to appoint one or more Assistant Officers to exercise such powers and to perform such duties as shall, from time to time, be prescribed by the President or by the Board of Directors of the Corporation.
- (f) Removal of Officers: The Board of Directors of the Corporation shall have the power to removed any elected or appointed Officer, with or without cause, by a two-thirds (2/3) vote of all members of the Board of Directors of the Corporation who are entitled to vote, at any regular or special meeting of the Board of Directors of the Corporation. The Board of Directors of the Associations, at any time and by majority vote, with or without cause, may remove any elected or appointed officer of the Corporation, including the Executive Vice President if so employed, at any regular or special meeting of the Board of Directors of the Associations. Such removal shall be conclusive as to the Officer of the Corporation so removed; provided, however, that such removal shall be without prejudice to the written contract rights, if any, of the Executive Vice President, if so removed.

## ARTICLE 5.

### **Board of Directors**

#### Section 1: Number and Qualifications.

The business and affairs of the Corporation, except as otherwise provided by these By-Laws, shall be conducted and managed by a Board of Directors of the Corporation. There shall be a total of thirteen (13) Directors who, at all times, shall be a Primary or Secondary Member, in good standing, of the Associations. The President, Vice President and Secretary-Treasurer of the Corporation, so long as they shall be qualified and shall hold such office, shall constitute three (3) of the total number of Directors of the Corporation. Unless elected as a voting Director, the Presidents and Immediate Past Presidents of each Association shall serve as non-voting, ex-officio, members of the Board of Directors. An ex-officio or alternate, as appointed by the stockholder, shall be allowed to vote in the absence of a voting Director.

Each Association shall be entitled to appoint not less than three (3) Directors for each elective year except that, pursuant to Article 4, Section 3 of these By-laws, for the elective year commencing January 1, 2008, and for each successive elective year thereafter, the Association in which the President is required to be a primary or secondary member, shall be entitled to elect four (4) Directors, on a rotation basis, as illustrated in Article 4, Section 3 of these By-Laws.

#### Section 2: Term of Office.

Each Director shall serve for a term of one (1) year unless re-elected as herein provided for a subsequent term(s). A Director shall be eligible for re-election as a Director. No Director, however, shall be eligible to serve more than seven (7) consecutive years on the Board of Directors of the Corporation.

#### Section 3: Duties and Responsibilities.

- (a) The Board of Directors of the Corporation shall have full charge of the general conduct of the Affairs of the Corporation. The Board of Directors of the Corporation shall have the power, by two-thirds (2/3) vote of the Directors present and voting, at any regular or special meeting of the Board, to enact such Rules, Regulations, Policies, Practices and Procedures not inconsistent with these By-Laws or the Charter of the Corporation, as may be deemed appropriate or necessary for the proper governance of the Corporation, and to amend or repeal any such rules, regulations, policies, practices and procedures, in whole or in part, provided that any such enactment, amendment or repealment shall not be effective without first being submitted to and approved by the Board of Directors of the Associations.
- (b) The Board of Directors of the Corporation shall have such other powers and duties, not inconsistent with these By-Laws, as shall be necessary or appropriate for the proper governance of the Corporation.

Section 4: Informal Action by Directors.

Any action required or permitted to be taken at any meeting of the Board of Directors of the Corporation or of any committee of the Corporation may be taken without a meeting pursuant to the provisions of Section 2-408 of the Corporations and Associations Article of the Annotated Code of Maryland, 1993 edition, as from time to time amended.

Section 5: Quorum and Voting.

At each meeting of the Board of Directors of the Corporation, a majority of all members of the Board of Directors of the Corporation entitled to vote shall constitute a quorum for the transaction of business. Except as otherwise specifically provided by law, by the Charter of the Corporation, or by these By-Laws, the act of a majority of the Directors who are entitled to vote and who are present at any meeting at which there is a quorum present shall constitute the act of the Board of Directors of the Corporation.

Section 6: Meeting by Conference Telephone.

Members of the Board of Directors of the Corporation may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 7: Extraordinary Act by Directors.

Any action by the Board of Directors of the Corporation regarding the following proposed acts or action(s) shall not be implemented without first being approved by the stockholders:

- (i) Merger, sale of substantially all the assets of the Corporation, or dissolution of the Corporation;

- (ii) Sale of any asset having a value in excess of \$5,000, or assets, excluding inventory on hand, which, in the aggregate, have a value in excess of \$5,000 in any 12 month period;
- (iii) Any amendment(s) to the charter or by-laws;
- (iv) Increase in membership or user fees by more than 30% in any 12 month period;
- (v) Establishment or modification of any fee structure which makes a distinction on the basis of Board or Association of REALTORS® membership;
- (vi) Contracts (including leases, but excluding key pad leases) and debt instruments extending beyond one year in duration, or requiring the expenditure or more than \$5,000 individually or \$15,000 in the aggregate in any 12 month period, and any amendment to an existing contract or debt instrument that would do the same.

## ARTICLE 6.

### **Nomination and Election of Directors**

#### Section 1: Nominees submitted to Stockholders for Election.

When nominees for Directors of the Corporation for each elective year have been elected by vote of the respective Stockholders of the Corporation, such nominees shall be submitted to the Board of Directors of the Associations for election. Upon election by the Board of Directors of the Associations, the individuals shall assume their respective offices.

#### Section 2: Failure of Officers and Directors to Attend Meetings.

Any Officer or Director of the Corporation who fails to attend three (3) successive regular or special meetings of the Board of Directors of the Corporation, without excuse acceptable to the Board of Directors of the Corporation, shall be deemed to have resigned from the Board of Directors of the Corporation and a vacancy shall be declared to exist as to such Director. In the event the Director shall also be an Officer of the Corporation, a vacancy shall be declared to exist in such office. Such vacancy shall then be filled pursuant to Article 7 of these By-Laws.

## ARTICLE 7.

### **Vacancy**

#### Section 1: Vacancy – Elected Officers and Directors.



- (a) In the event that a vacancy should occur on the Board of Directors of the Corporation, the Board of Directors of the Association which elected the Director shall fill the vacancy for the unexpired portion of the term.
- (b) In the event a vacancy occurs in any elective office of the Corporation, except the office of President, the remaining Officers shall advance to the office immediately superior in rank to their current office as described in these By-Laws. A vacancy then occurring in the office of Secretary-Treasurer shall be filled by a majority vote of the Board of Directors of the Corporation at any regular or special meeting, for the unexpired portion of the term.
- (c) Any vacancy in the office of President of the Corporation shall be filled by the Association which was entitled to elect the President as provided in Article 4., Section 3 of these By-Laws for the unexpired term.
- (d) Any Director also may be removed at any time, with or without cause, by the Board of Directors of the Association which elected the Director.

## ARTICLE 8.

### **Meetings**

#### Section 1: Meetings of the Board of Directors.

The Board of Directors of the Corporation shall meet regularly, at the call of the President, and at such times as may be requested in writing by a majority of the members of the Board of Directors of the Corporation or as requested in writing by a majority of the members of the Board of Directors of the Associations.

#### Section 2: Presiding Officer.

At all meetings of the Board of Directors of the Corporation, the President, or in the absence of the President, the Vice President or the Secretary-Treasurer in the order named, shall serve as the presiding officer. In the absence of the President, the Vice President or Secretary-Treasurer, the President shall name a temporary chairman, or upon the failure of the President to do so, the Board of Directors of the Corporation shall appoint a temporary chairman.

## ARTICLE 9.

### **Fiscal Year and Elective Year**

The fiscal year of the Corporation shall commence on January 1 and shall end on December 31 of each calendar year. The elective year shall commence on January 1 and shall end when a successor shall be duly elected or appointed pursuant to these By-Laws.

## ARTICLE 10.

### **Amendments to By-Laws of the Corporation**

Subject to the provisions of Article 3, Section 2 of these By-Laws, these By-Laws may be amended, altered or repealed, and new or supplementary By-Laws may be adopted, in the manner provided herein. The Board of Directors of the Corporation shall first approve, by a majority vote of all members of the Board of Directors entitled to vote, at any annual, regular or special meeting of the Board, the proposed amendment to the By-Laws or supplementary By-Laws. The proposed amendment to the By-Laws or supplementary By-Laws as approved by the Board shall then be submitted for approval to the Board of Directors of the Associations. The Board of Directors of the Associations may approve the proposed amendment to the By-Laws, or supplementary By-Laws by a majority vote, at any meeting of the Board of Directors of the Associations, the notice of which shall set forth the terms of the proposed amendment and/or the proposed new or supplementary By-Laws.

If the proposed amendment to the By-Laws or supplementary By-Laws as approved by the Board of Directors is not adopted by the Board of Directors of the Associations as provided herein, the Board of Directors of the Corporation shall be so informed, and the proposed amendment to the By-Laws or supplementary By-Laws shall be further considered by the Board, and may be resubmitted to the Board of Directors of the Associations for approval. No such amendment, or supplementary By-Laws shall be effective, however, unless and until approved by the Board of Directors of the Associations.

## ARTICLE 11.

### **Parliamentary Procedure**

The latest edition of Robert's Rules of Order shall be recognized as the authority governing the meetings of the Board of Directors or any committee of the Corporation in all instances wherein the provisions do not conflict with these By-Laws.

## ARTICLE 12.

### **Indemnification**

#### Section 1: Indemnification to Extent Permitted by Law.

The Corporation shall indemnify to the full extent permitted by law any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that the person is or was a Director, Officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or is or was serving at the request of the Corporation as a trustee or administrator or in any other fiduciary capacity wider

any pension, profit sharing, or other deferred compensation plan, or under any employee welfare benefit plan of the Corporation.

#### Section 2: Payment of Expenses In Advance of Final Disposition of Actions.

Expenses (including attorney's fees) incurred in defending a civil, criminal, administrative, or investigative action suit, or proceeding shall be paid by the Corporation in advance of the final disposition of that action, suit, or proceeding, on the conditions and to the extent permitted by law.

#### Section 3: Non-Exclusive Right to Indemnity; Inures to Benefit of Heirs and Personal Representatives.

The rights of indemnification set forth in this Article are in addition to all rights to which any Directors, Officer, employee, agent, trustee, administrator, or other fiduciary may be entitled as a matter of law, and shall continue as to a person who has ceased to be a Director, Officer, employee, agent, trustee, administrator, or other fiduciary, and shall inure to the benefit of the heirs and personal representatives of that person.

#### Section 4: Insurance.

The Corporation shall purchase and maintain insurance on behalf of any person who is or was a Directors, Officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or is or was serving at the request of the Corporation as a trustee or administrator or in any other fiduciary capacity under an pension, profit sharing, or other deferred compensation plan, or under any employee welfare benefit plan of the Corporation, against any liability asserted against and incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Corporation would have the power or would be required to indemnify that person against that liability under the provisions of this Article 12 or the laws of this State.

#### Section 5: Certain Persons Not to be Indemnified.

Notwithstanding the provisions of this Article, the Corporation may not indemnify any bank, trust company, investment adviser or actuary against any liability which that entity or person may have by reason of acting as a "fiduciary" of any employee benefit plan (as that term is defined in the Employee Retirement Income Security Act, as amended from time to time) established for the benefit of the Corporation's employees.

#### Section 6: Definitions.

For the purpose of this Article, the term "person" shall mean an individual, an not a partnership, corporation or other business entity.

## ARTICLE 13.

### **Dissolution**

In the event the Corporation should at any time voluntarily or involuntarily terminate its activities, the Board of Directors of the Corporation shall consider and adopt a plan of liquidation and dissolution with the approve of the Stockholders. Said plan shall provide for the collection of all assets, the payment of all liabilities, and the distribution of any remaining assets to the Stockholders.