

**BYLAWS**

**OF**

**Allied Real Estate Commercial Services, Inc.**

**an Oklahoma corporation**

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**I. OFFICES/PURPOSE**

- A. Formation.** The Corporation has been formed as a for profit, corporation by the filing with the Secretary of State of the State of Oklahoma of its Certificate of Conversion and Certification of Incorporation April 15, 2010. A copy of the Bylaws will be furnished to each shareholder of the Corporation.
- B. Name.** The name of this Corporation is Allied Real Estate Commercial Services, Inc., hereinafter referred to as the Exchange, the Corporation or the CIE. “ARCS” is an acronym that stands for *Allied Real Estate Commercial Services*.
- C. Ownership of Shares in the Corporation.** 100% of the shares in the Corporation are owned by Oklahoma City Metropolitan Association of REALTORS® (referred to as “OKCMAR” in this document). The Corporation is intended to be a wholly-owned subsidiary of OKCMAR.
- D. Registered Office.** The registered office of the corporation shall be the registered office names in the certificate of incorporation of the corporation or such other office as may be designated from time to time by the Board of Governors in the manner provided by law.
- E. Other Offices.** The corporation may have offices at such other places both within and without the State of Oklahoma as the Board of Governors may from time to time determine or the business of the corporation may require. The books of the corporation may be kept (subject to any provision contained in the Oklahoma General Corporation Law) outside the State of Oklahoma at such place or places as may be designated from time to time by the Board of Governors or in these Bylaws.
- F. Purpose of the Corporation.**
- i. The CIE serves as an information exchange. Participants who have been retained by sellers of commercial or industrial property to market those properties may submit information on those properties to the Exchange and Participants who have been retained by buyers of commercial or industrial property may submit information on the type(s) of property sought to the Exchange. Any compensation agreements related to property included in the Exchange compilation must be made on an individual basis outside the Exchange between the Participants involved. A Commercial

Information Exchange is not a Multiple Listing Service. No offers of cooperation and compensation are communicated through filing information on a property with the CIE.

- ii. The area within which the Exchange shall function shall at all times be coextensive with or within the territorial jurisdiction of the Oklahoma City Metropolitan Association of REALTORS<sup>®</sup>.
- iii. Provide services currently unavailable to Oklahoma and OKCMAR the Realtors' Commercial Alliance (RCA) brokers to support their business growth; and
- iv. Generate revenue from the offerings that will be created and offered to members and non-members.

#### **F. Participation.**

- i. **Participation Defined:** Any REALTOR<sup>®</sup> of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in the Exchange upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, no individual or firm, regardless of Board membership status, is eligible for CIE "participation" or "membership" status unless they hold a current, valid real estate broker's license and are accept and offer compensation to and from other Participants or to those individuals who are licensed or certified by a state regulatory agency to engage in the appraisal of real property. The REALTOR<sup>®</sup> principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation as the "Participant" shall have all rights, benefits, and privileges of the Exchange, and shall accept all obligations to the Exchange for the Participant's firm, partnership, or corporation, and for compliance with the bylaws and rules and regulations of the Exchange by all persons affiliated with the Participant who utilize the Exchange. None of the foregoing is intended to preclude a CIE from providing, as a matter of local determination, access to information from CIE compilations to affiliate members of Boards or to others engaged in recognized fields of real estate practice or in related fields.
- ii. Any applicant for Exchange participation and any licensee (including licensed or certified appraisers) affiliated with an Exchange Participant who has access to and use the CIE-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the Exchange rules and regulations and computer training related to CIE information entry and retrieval. Boards are not required to establish

prerequisites for CIE Participation beyond holding REALTOR® (principal) membership in a Board. However, if the Board wishes to establish prerequisites for Exchange Participation or access to Exchange-generated information, the requirement of attendance at an orientation program is the most rigorous prerequisite that may be required.

**G. Nonmember Participation Defined:** Participation in the Exchange is also available to nonmember principals who meet the qualifications established in the Board's bylaws and CIE rules and regulations. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Commercial Information Exchange "participation" or "membership" unless they hold a current, valid real estate broker's license and are capable of accepting and offering compensation to and from other Participants, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board CIE is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. None of the foregoing is intended to preclude a CIE from providing, as a matter of local determination, access to information from CIE compilations to affiliate members of Boards or to others engaged in recognized fields of real estate practice or in related fields. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Board CIE where access to such information is prohibited by law. The nonmember principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation as the "Participant" shall have only those rights, benefits, and privileges as specified by the Exchange, and shall accept all obligations to the Exchange for the Participant's firm, partnership, or corporation, and for compliance with the bylaws and rules and regulations of the Exchange by all persons affiliated with the Participant who utilize the Exchange.

**H. Application for Participation:** Application for participation shall be made in such manner and form as may be prescribed by the Board of Governors of the Exchange and made available to any REALTOR® (principal) of this or any other Board requesting it. The application form shall contain a signed statement agreeing to abide by these bylaws and any other applicable rules and regulations of the Exchange as from time to time adopted or amended.

Discontinuance of Exchange: Participants of the Exchange may discontinue the Exchange by giving the Exchange 30 days' written notice and may reapply to the Exchange after 1 month by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid. Subscribers: Subscribers (or users) of the CIE include nonprincipal brokers, sales associates, and licensed and certified appraisers affiliated with Participants. (Optional provision: Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or

certification as real estate appraisers who are under the direct supervision of a CIE Participant or the Participant's licensed designee.)

**I. Service Charges**

The charges made for participation in the Exchange shall be as determined, and as amended from time to time by the Board of Governors of the Exchange, and specified in the rules and regulations of the Exchange.

**J. Meetings of Participants**

- i. **Annual Meeting:** The annual meeting of Participants of the Exchange shall be held during the month of August at the time and place specified by the Exchange Board of Governors.
- ii. **Special Meetings of the Exchange:** Special meetings of Participants of the Exchange may be called from time to time by the President, the Exchange Board of Governors, or by 20% of the Participants of the Exchange. Written notice stating the day, place, and hour of the meeting, the purpose or purposes for which the meeting is called, shall be delivered to all REALTORS<sup>®</sup> who are Participants in the Exchange not less than 7 days prior to said meeting.
- iii. **Quorum and Voting at Meetings of the Exchange:** For the transaction of business, 2% of the Participants of the Exchange shall be considered a quorum. A majority vote by such Participants present and voting at a meeting attended by a quorum shall be required for passage of motions.

**K. Presiding Officer:** At all meetings of the Participants of the Exchange, or of the Exchange Board of Governors, the President or, in the absence of the President, the Vice President shall serve as presiding officer. In the absence of the President and Vice President the President shall name a temporary Chairperson or, upon the President's failure to do so, the Board of Governors of the Exchange shall appoint a temporary Chairperson.

**L. Task Forces** The President, with the approval of the Exchange Board of Governors, shall create such standing or ad hoc task forces as the President deems desirable and shall appoint their members. Each task force shall consist of not less than 5 Participants in the Exchange, but may also include REALTORS<sup>®</sup> or non-REALTOR-ASSOCIATE<sup>®</sup>s, employed by or affiliated as independent contractors with Participants serving as representatives of said Participants and with their consent, and who may serve either as a Chairperson or member of a Task Force.

**M. Fiscal Year** The fiscal year of the Exchange shall commence on January 1 and shall end on December 1.

**N. CIE Rules & Regulations.** The operation of the Commercial Information Exchange/ Property Information Database shall be governed by the CIE Rules & Regulations.

**O. Amendments to Bylaws:** Amendments to these bylaws shall be made only by the Corporation's sole shareholder, OKCMAR. When amendments to the Bylaws of the Exchange have been approved by the Board of Governors of the OKCMAR (Sole Shareholder), said amendments shall be effective immediately or as stated in the amending resolution. Amendments to Rules and Regulations: Amendments to the rules and regulations of the Exchange shall be by consideration and approval of the Board of Governors of the Exchange in accordance with the provisions of Article 7, Section A, concerning meetings of the Board of Governors, subject to final approval by the Board of Directors of OKCMAR. When approved by the Board of Directors of OKCMAR, the amendments to the rules and regulations of the Exchange shall be effective immediately or as stated in the amending resolution. If the proposed amendments of the Exchange rules and regulations fail approval by the Board of Directors of OKCMAR, the Board of Governors of the Exchange shall be informed, and advised that the proposed amendment or amendments must be further considered and resubmitted as approved by the Board of Governors of the Exchange to the Board of Directors of OKCMAR.

## II. SHAREHOLDERS' MEETINGS

**A. Place of Meetings.** Meetings of the shareholders of the corporation, OKCMAR, shall be held at such place, either within or without the State of Oklahoma, as may be designated from time to time by the Board of Governors, or, if not so designated, then at the principal executive offices of the corporation.

**B. Telephone Meetings.** Any Shareholder, or of any committee thereof, may participate in a meeting by means of conference telephone or similar communications equipment (including, by way of example, an "online meeting") by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

**C. Annual Meeting.**

- i. The annual meeting of the shareholders of the ARCS Corporation, OKCMAR, for the purpose of election of Governors and for such other business as may lawfully come before it, shall be held on such date and at

such time as may be designated from time to time by the OKCMAR Board of Directors.

1. At an annual meeting of the shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be: (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Governors; (B) otherwise properly brought before the meeting by or at the direction of the Board of Governors; or (C) otherwise properly brought before the meeting by a stockholder.
- ii. The chairman of the meeting shall determine whether any business proposed to be transacted by the shareholders has been properly brought before the meeting and, if any proposed business has not been properly brought before the meeting, the chairman shall declare that such proposed business shall not be presented for stockholder action at the meeting.
- iii. Only persons who are nominated in accordance with the procedures set forth in this paragraph shall be eligible for election as Governors. Nominations of persons for election to the Board of Governors of the corporation may be made at a meeting of shareholders. The chairman of the meeting shall, if the facts warrant, determine and declare at the meeting that a nomination was not made in accordance with the procedures prescribed by these Bylaws, and if the chairman should so determine, the chairman shall so declare at the meeting, and the defective nomination shall be disregarded.

#### D. Special Meetings.

- i. Special meetings of the shareholders of the corporation may only be called, for any purpose or purposes, by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized Directors (whether or not there exist any vacancies in previously authorized Directors at the time any such resolution is presented to the Board of Governors for adoption).
- ii. No business may be transacted at such special meeting otherwise than specified in the resolution calling for the meeting. The OKCMAR Board of Directors shall determine the time and place of such special meeting. Nothing contained in this paragraph (b) shall be construed as limiting, fixing or affecting the time when a meeting of shareholders may be held.

#### E. Notice of Meetings.

- i. Except as otherwise provided by law or the certificate of incorporation of the corporation, as the same may be amended or restated from time to time

and including any certificates of designation thereunder (hereinafter, the "Certificate of Incorporation"), written notice of each meeting of shareholders shall be given not less than three (3) nor more than ten (10) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, date, time and purpose or purposes of the meeting. Notice of any meeting of shareholders may be waived in writing, signed by the person entitled to notice thereof, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

- F. **Quorum.** At all meetings of shareholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person or by duly authorized proxy, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of shareholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The shareholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all actions taken by the holders of a majority of the votes cast, excluding abstentions, at any meeting at which a quorum is present shall be valid and binding upon the corporation; provided, however, that Governors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of Governors. Where a separate vote by a class or classes is required, a majority of the outstanding shares of such class or classes, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and the affirmative vote of the majority (plurality, in the case of the election of Governors) of shares of such class or classes present in person or represented by proxy at the meeting shall be the act of such class.
- G. **Adjournment and Notice of Adjourned Meetings.** Any meeting of shareholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares casting votes, excluding abstentions. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than

thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

#### **H. Voting Rights**

- i. For the purpose of determining those shareholders entitled to vote at any meeting of the shareholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 7.5 of these Bylaws, shall be entitled to vote at any meeting of shareholders.
- ii. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; or (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the appropriate Oklahoma District Court for relief as provided in the Oklahoma General Corporation Law. If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of clause (c) shall be a majority or even-split in interest.

#### **I. List of Shareholders.**

- i. The Secretary shall prepare and make, at least ten (10) days before every meeting of shareholders, a complete list of the shareholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not specified, at the place where the meeting is to be held. The list shall be produced and kept at the time and place of meeting during the whole time thereof and may be inspected by any stockholder who is present.

J. **Action Without Meeting.** The shareholders of the corporation may take any action by unanimous written consent without a meeting to the same extent that any actions could be taken at a duly called annual or special meeting.

### **III. GOVERNING BODY AND OFFICERS**

**A. Government of the Exchange:** The government of the Exchange shall be vested in the Allied Real Estate Commercial Services Board of Governors comprised of the elected Officers and Governors nominated and elected as described in this Article.

**B. Officers of the Exchange:** The Officers of the Exchange, who shall also be Governors, shall be a President, a Vice President, and a Secretary-Treasurer, and shall have such duties as described in this Article.

**C. Board of Governors of the Exchange:** The Board of Governors; including the President, Vice President, and Secretary-Treasurer of the Exchange, to be elected from among the Participants of the Exchange, except that not more than 3 Governors may be elected from among the subscribers other than Participants or from REALTOR-ASSOCIATE®s who are affiliated with Participants and serve with consent of the Participants as representatives of the Participants with whom they are affiliated.

1. The following positions shall be permanent members of the Board of Governors and shall not have any limited term:
  - a. CCIM Seat;
  - b. Franchise Broker-REALTOR® Seat; and
  - c. Independent Broker-REALTOR® Seat.

If any of these permanent members fail to continue to serve for any reason, the president of the OKCMAR Board of Directors appoints their replacement. These permanent members may serve as officers of the Exchange, however, they may not server more than one consecutive year as an officer. Prior to serving as an officer again, these permanent members shall spend two years not as an officer.

2. OKCMAR's Chief Executive Officer is a permanent member of the Board of Governors. This permanent member does not vote.
3. The following three positions on the Exchange's Board of Governors shall serve one year terms:
  - i. RCA Past Chair (as appointed by the RCA);
  - ii. OKCMAR Board of Directors President-Elect;
  - iii. OKCMAR Board of Directors President;

- iv. CIE Advisory Group Chair (as appointed by the RCA).
4. The remaining members of the Board of Governors of the Exchange are three year terms and are comprised of the following:
- i. Media Seat;
  - ii. County Government Seat;
  - iii. State Government Seat; and
  - iv. Oklahoma City Chamber of Commerce/Economic Development Authority Seat

5. The Board of Governors of the Exchange have the authority (subject to approval by the Board of Directors of OKCMAR) to add three additional seats to the Board of Governors and to appoint the members to fill such seats.

No more than one (1) representative from any real estate brokerage firm or franchise shall be allowed to serve as a Governor at the same time.

- a. The first year of incorporation the Governors shall be (a) appointed by the President of OKCMAR and (b) approved by the OKCMAR Board of Directors. In addition to the elected Governors, the current President & of the Board of REALTORS<sup>®</sup> and an OKCMAR officer appointed by the OKCMAR President shall serve as Governors, ex-officio, with voting privileges. The OKCMAR CEO shall serve as the Executive Vice President, ex-officio with no voting privileges. An RCA Past-President, selected by the RCA and approved by the OKCMAR President, shall be appointed to the Board of Governors annually. The sitting CIE committee chairman shall be appointed to the Board of Governors annually as an exchange seat. The remaining 10 exchange seats shall be appointed by the OKCMAR President.

5. **Nomination and Election of Officers:** The Officers of the Exchange shall be nominated by a vote of the Participants in the Exchange in accordance with the provisions of Article 7, Meetings, of these bylaws and as set forth below.
- i. Nominating Committee: The President of the Exchange shall appoint a Nominating Committee each year which Committee shall be comprised of 5 Participants of the Exchange. The appointment of the Nominating Committee shall be made by such a date as to enable the Committee to meet and select a proposed slate of Officers and Governors of the Exchange not more than 45, nor less than 30, days prior to the date of the meeting of the Participants of the Exchange at which nominees shall be selected by vote of the Participants. The proposed slate of Officers shall be reported to the President and Secretary of the Exchange.

- ii. Notice of Proposed Nominees: The President shall cause a list of the proposed nominees selected by the Nominating Committee to be forwarded to the Participants of the Exchange, setting forth the time, place, and other pertinent conditions of the meeting to select the final list of nominees by vote of the Participants of the Exchange. The notice to the Participants of the Exchange concerning the meeting to select nominees for Officers and Governors shall be mailed on a date at least 15 days prior to the proposed meeting.
  - iii. Rights of Participants to Select Additional Nominees: The names of additional proposed nominees may be added to the list selected by the Nominating Committee by a petition submitted to the Secretary of the Exchange by 10% of the Participants of the Exchange, with said petition received not less than 20 days prior to the date of the meeting of the Participants to select nominees for Officers. The names contained in such petition, if duly received and certified, shall be presented in writing to the Participants at the meeting to select nominees as additional nominees for consideration for such office as specified in the petition. In addition, nominations may be made from the floor at the duly noticed meeting of the Participants to select nominees for Officers and, if seconded, shall be added to the list of proposed nominees.
  - iv. Voting by Electronic Ballot: Voting for selection of nominees, if other than on a motion to cast a unanimous vote for the original proposed slate shall be by electronic ballot, and said ballot shall contain blank fields for writing in additional names proposed by petition or from the floor at the meeting to select nominees.
  - v. Vote to Select Nominees: Voting shall be in accordance with provisions of Article III of these bylaws.
  - vi. Nominees Submitted to Sole Member for Election: When nominees for Officers and Governors of the Exchange for the forthcoming fiscal year have been selected by vote of the Participants of the Exchange, such nominees shall be submitted to the Board of Directors of OKCMAR for election. Upon election by the Board of Directors of OKCMAR, the individuals so elected shall be considered Officers-Elect and Governors-Elect and shall assume their respective offices on (date office is effective).
6. **The term of office for Elected Officers** of the Exchange shall be on a calendar year basis. In the event one (1) or more nominee(s) is/are not elected by the Board of Directors of OKCMAR and upon notice of such failure of election, the President of the Exchange shall select a proposed Participant or Participants, as required, subject to confirmation by the Board of Governors, for submission as nominee(s) to the Board of Directors of OKCMAR to be considered for election to fill the vacancy or vacancies existing.

- i. In the event that nominees are not duly and timely provided by the Exchange to the Board of Directors of OKCMAR, as provided in these bylaws, then the Board of Directors of OKCMAR shall exercise rights as sole and exclusive Sole Member to elect a Participant or Participants of the Exchange to fill an existing vacancy or vacancies as Officers of the Exchange.
7. **Term of Office:** The Officers shall serve for a one-year term. Officers shall take office upon the effective date of their offices and shall continue until their successors are elected, qualified, and installed. No Officer shall be nominated and elected to the same office for more than one (1) consecutive term.
8. **Duties of Officers and Governors:** The duties of the Officers and Governors follow.
  - i. The Executive Vice President shall be the chief staff executive officer of the Exchange and shall preside at its meetings and those of the Board of Governors, and shall perform all the duties of the Executive officer subject to declared policies and, as required, subject to confirmation of the Board of Governors.
  - ii. The President shall preside at its meetings and those of the Board of Governors, and shall perform all the duties of President subject to its declared policies and as required subject to confirmation of the Board of Governors
  - iii. The Vice President shall, in the absence of the President, perform all of the duties of the President.
  - iv. The Secretary-Treasurer shall be the custodian of the funds of the Exchange and shall keep an accurate record of all receipts and disbursements. The Secretary-Treasurer shall provide to all members of the Board of Governors a quarterly statement of all accounts and financial affairs for the Exchange, and shall have charge of the corporate seal and affix the name to all documents properly requiring such seal.
  - v. The Board of Governors of the Exchange shall be the governing body of the Exchange and shall have control of all affairs of the Exchange and shall authorize all expenditures of funds. The Exchange Board of Governors shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of the Exchange for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the Participants of the Exchange for approval on a date not less than 90 days prior to the first day of the next fiscal year. The Exchange Board of Governors shall not incur an obligation in excess of \$25,000.00 over the total budget without the authorization by vote of a two-thirds majority of REALTOR<sup>®</sup> Participants of the Exchange present and voting unless such excess is the result of an increase in the volume of

listings processed by the Exchange over that projected in preparing the annual budget. The Exchange Board of Governors shall employ such executive, legal, and office personnel it deems necessary to care for and maintain the properties of the Exchange and otherwise conduct the administrative business of the Exchange. The Exchange Board of Governors shall have the right to make an audit of all books and accounts at any time without notice. The Exchange Board of Governors shall have the power from time-to-time to adopt such rules and regulations that they may deem appropriate subject to final approval of the Board of Directors of OKCMAR. Except as otherwise provided in these bylaws and rules and regulations, the action of the Exchange Board of Governors shall be final.

9. Removal of Officers and Governors: In the event that an Officer or Governor of the Exchange is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Governor may be removed from office under the following procedure.
  - i. A petition requiring the removal of an Officer or Governor and signed by not less than one-third of the Participants or a majority of all Governors of the CIE shall be filed with the President of the CIE, 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.
  - ii. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the Participants of the CIE shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Governor, and to render a decision on such petition.
  - iii. The special meeting shall be noticed to all Participants at least ten (10) days prior to the meeting, and shall be conducted by the President of the CIE 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 or the hearing by the Participants. Provided a quorum is present, a three-fourths vote of Participants present and voting shall be required for removal from office.
  - iv. Any vote taken by the Participants to remove an Officer or Governor must ultimately be confirmed by a majority vote of the Governors of the Sole Member(s). Notwithstanding the foregoing, the Sole Member(s) may remove an Officer or Governor by a majority vote of the Board of Directors of OKCMAR.
  - v. OKCMAR, the sole shareholder of Exchange, reserves the right to remove a Governor at any time, upon written notice provided to the Board of Governors. To exercise this authority, OKCMAR will act through its

Board of Directors and *is not required* to follow the procedure set out in this Section.

10. **Tenure and Duties of Officers.** All officers shall hold office at the pleasure of the Board of Governors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Governors may be removed at any time by the Board of Governors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Governors. Except for the Chairman of the Board and the Vice Chairman of the Board, no officer need be a Governor.
11. **Delegation of Authority.** For any reason that the Board of Governors may deem sufficient, the Board of Governors may, except where otherwise provided by statute, delegate the powers or duties of any officer to any other person, and may authorize any officer to delegate specified duties of such office to any other person. Any such delegation or authorization by the Board shall be effected from time to time by resolution of the Board of Governors.
12. **Resignations.** Any officer may resign at any time by giving written notice to the Board of Governors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.
13. **Removal.** Any officer may be removed from office at any time, either with or without cause, by the vote or written consent of a majority of the Governors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Governors.

#### **IV. EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION**

- A. **Execution of Corporate Instruments.** The Board of Governors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.
  - i. Unless otherwise specifically determined by the Board of Governors or otherwise required by law, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of

shares of stock owned by the corporation, shall be executed, signed or endorsed by the Chairman of the Board of Governors, the President, or any executive Vice President and if any be designated, Chief Financial Officer, Treasurer, Assistant Secretary or Assistant Treasurer, and upon the authority conferred by the Board of Governors, President, any non-executive Vice President, and by the Secretary. All other instruments and documents requiring the corporate signature, but not requiring the corporate seal, may be executed as aforesaid or in such other manner as may be directed by the Board of Governors.

- ii. All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Governors shall authorize so to do.
- iii. Unless authorized or ratified by the Board of Governors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

B. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Governors, or, in the absence of such authorization, by the Chairman or Vice Chairman of the Board of Governors, the President, or any executive Vice President.

## V. SHARES OF STOCK

A. Form and Execution of Certificates. Certificates for the shares of stock of the corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Governors, the President or any executive Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, certifying the number of shares and the class or series owned by him in the corporation. Where such certificate is countersigned by a transfer agent other than the corporation or its employee, or by a registrar other than the corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

B. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen,

or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

**C. Transfers.** Transfers of record of shares of stock of the corporation shall be made only on its books by the holders thereof and in conformance with Article XV. of these Bylaws, in person or by attorney duly authorized and upon the surrender of a properly endorsed certificate or certificates for a like number of shares. Upon surrender to the corporation or a transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. The Board of Governors shall have the power and authority to make all such other rules and regulations as they may deem expedient concerning the issue, transfer and registration or the replacement of certificates for shares of capital stock of the corporation.

- i. The corporation shall have power to enter into and perform any agreement with any number of shareholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such shareholders in any manner not prohibited by the Oklahoma General Corporation Law.

**D. Fixing Record Dates.**

In order that the corporation may determine the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the shareholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Governors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed by the Board of Governors, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the Board of Governors adopts the resolution relating thereto.

**E. Registered Shareholders.** The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Oklahoma.

## VI. DIVIDENDS

A. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Governors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

### **B. Dividend Reserve.**

Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Governors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Governors shall think conducive to the interests of the corporation, and the Board of Governors may modify or abolish any such reserve in the manner in which it was created.

## VII. FISCAL YEAR

The fiscal year of the corporation shall end as of December 31st, unless otherwise fixed by resolution of the Board of Governors.

## VIII. NOTICES

A. Notice to Shareholders. Unless the Certificate of Incorporation requires otherwise, whenever, under any provisions of these Bylaws, notice is required to be given to any stockholder, it shall be given in writing, timely and duly deposited in the United States mail, postage prepaid, and addressed to such stockholder's last known post office address as shown by the stock record of the corporation or its transfer agent or it may be delivered by facsimile, telex or telegram, except that such notice other than one which is delivered personally shall be sent to such address as such stockholder shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such stockholder.

B. Notice to Governors. Unless the Certificate of Incorporation requires otherwise, whenever, under any provisions of these Bylaws, notice is required to be given to any Governor, it shall be given in writing, timely and duly deposited in the United States mail, postage prepaid, and addressed to such Governor's last known post office address as shown by the stock record of the corporation, or by facsimile, telex or telegram, except that such notice other than one which is delivered personally shall be sent to such address as such Governor shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such Governor. It shall not be necessary that the same method of giving notice be employed in respect of all Governors, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

C. Address Unknown. If no address of a stockholder or Governor be known, notice may be sent to the principal executive officer of the corporation.

## IX. AMENDMENTS

Except as otherwise provided in the Certificate of Incorporation, these Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, by the holders of a majority of the outstanding voting shares or by the Board of Governors, when such power is conferred upon the Board of Governors by the Certificate of Incorporation, at any regular meeting of the shareholders or of the Board of Governors or at any special meeting of the shareholders or of the Board of Governors if notice of such alteration, amendment, repeal or adoption of new Bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal Bylaws is conferred upon the Board of Governors by the Certificate of Incorporation, it shall not divest or limit the power of the shareholders to adopt, amend or repeal Bylaws.

## X. RESTRICTIONS ON TRANSFER OF SHARES

A. Invalidity of Transfers. No transfer of shares of the Corporation by a Shareholder shall be valid unless the transfer is a permitted transfer as provided under the terms of this Agreement. Shares shall not be transferrable upon death to the heirs of a deceased Shareholder.

B. Definition of Transfer. “Transfer” means any sale, gift, exchange, pledge, sale by legal process under execution, or change in ownership, legal or beneficial, voluntary or involuntary, because of any act or occurrence. If any shares are pledged with the consent of the other Shareholder or after a failure of the Corporation and the other Shareholder to accept the tender and purchase the shares involved, a subsequent sale or retention of the shares by the secured party under the terms of the pledge after default shall be a separate transfer to which this Agreement shall apply. “Shareholder-transferor” means the Shareholder whose shares have been or are about to be transferred.

### C. Permitted Transfers

i. Consent.

Any transfer of shares of the Corporation shall be a permitted transfer if all of the other Shareholders consent in writing to the specific transfer.

ii. Transfer After Tender.

A transfer of shares of the Corporation shall be a permitted transfer if both of the following conditions are met:

(a) The shares have been tendered to the Corporation as provided in this Agreement, and the tender has not been accepted within the time limits set forth in this Agreement.

(b) The transfer is made within 180 days after the notice of tender is effective, is made to the transferee named in the notice, and is upon the terms set forth in the notice.

**D. Tender of Shares**

i. Notice of Tender/Option to Purchase by Corporation.

If a Shareholder desires to transfer shares of the Corporation and the transfer is not a permitted transfer unless tender is made, the shares to be transferred shall be tendered to the Corporation by giving notice of tender to the Corporation. The notice shall state the number of shares to be transferred, the name and address of the person giving the notice and of the transferee, and the nature of the transfer. If the transfer is to be by sale, the notice shall set forth the proposed price and terms of sale. If the transfer is as a pledge, the notice shall set forth the amount and terms of the loan or other obligation to be secured by the shares. A copy of the notice shall be given to the other Shareholder at the same time it is given to the Corporation.

ii. Person Obligated to Give Notice.

The notice shall be given by the Shareholder-transferor if the transfer is voluntary. If the transfer is involuntary, or by operation of law, the notice shall be given by the successor in interest of the Shareholder-transferor.

iii. Acceptance of Tender.

Within 20 days following the giving of a notice of tender, the Corporation may accept the tender and purchase all of the shares tendered by giving notice of acceptance to the Shareholder-transferor and any other person giving the notice tender. The Corporation may only accept the tender as to all of the shares tendered. No acceptance as to part of the shares will be effective.

iv. Nonacceptance of Tender.

If a tender is not accepted, the shares subject to the tender may be transferred as permitted in the section of this Agreement dealing with transfer after tender.

**E. Purchase of shares on death**

Upon the death of a Shareholder, the Corporation shall purchase all of the shares owned by the deceased Shareholder, and the personal representative of the estate of the deceased Shareholder shall sell the shares to the Corporation on the terms set forth herein.

**F. Proposed Sale of Shares.**

If shares are to be purchased by the Corporation pursuant to a tender because the Shareholder-transferor intends to sell the shares by voluntary sale to a third party, the purchase price shall be the lesser of the price for which the Shareholder-transferor intends to sell the shares or the price determined under the section of this Agreement relating to determination of purchase price. The Corporation shall have the option (which may be exercised at or prior to the closing of the purchase) to elect to purchase the shares upon the terms the Shareholder-transferor intends to sell the shares. If the Corporation does not so elect, the terms of payment shall be as provided in this Agreement.

**G. Determination of Purchase Price**

i. Determination Date.

Except as otherwise provided in this Agreement, the purchase price for shares to be purchased under this Agreement will be the book value of the shares as of the end of the month immediately preceding the date on which notice of tender is given, or on which a Shareholder dies, whichever is applicable (Determination Date).

ii. Book Value Per Share.

The book value of a share of the corporation shall be equal to the book value of the corporation divided by the total number of issued and outstanding shares of the Corporation on the Determination Date. The book value of the Corporation means the total shareholders' equity of the Corporation on the Determination Date as determined by the certified public accountant of the Corporation in accordance with regularly accepted accounting principles consistently applied.

**H. Terms of Payment**

i. Payment of Purchase Price.

1. The purchase price for shares to be purchased under this Agreement shall be paid in the following manner:
2. The down payment shall be 20 percent of the purchase price.
3. The remaining balance of the purchase price shall be evidenced by, and payable in accordance with the terms of, a promissory note of the Corporation containing the following terms:
4. The principal amount of the promissory note shall be payable in 10 equal annual installments, including interest on the unpaid balance, with the first annual installment to be due one year after the date of closing and an additional installment to be due on the same day of each year thereafter until the promissory note is paid in full.

5. Interest shall accrue on the remaining balance due under the promissory note at the rate of 10 percent per annum from the date of closing.
6. The promissory note shall provide that if any installment is not paid when due, the holder may declare the entire remaining balance, together with all accrued interest, immediately due and payable.
7. Partial or complete prepayment of the remaining balance due under the promissory note shall be permitted at any time without penalty, provided that any partial prepayment shall not affect the amount or regularity of payments coming due thereafter.
8. Payment of the promissory note shall be unconditionally guaranteed by the other Shareholders.

**I. Closing.**

The purchase shall be closed within 60 days following the effective date of a notice of acceptance of a tender, or the appointment of a personal representative for the estate of a deceased Shareholder, whichever is applicable. At the closing, the down payment shall be paid to the selling party, and the promissory note, documents creating the security interest in assets of the Corporation, and the financing statement perfecting the security interest shall be delivered to the selling party. The selling party shall deliver to the Corporation the certificate or certificates representing the shares being purchased, duly endorsed for transfer on the books of the Corporation, together with any other documents necessary in order to effect transfer of the shares.

**Board of Directors, Oklahoma City Metropolitan Association of Realtors®, Inc.**

By: \_\_\_\_\_  
 David K. Moeller, President, Board of Directors

**Allied Real Estate Commercial Services, Inc.**

By: \_\_\_\_\_  
 \_\_\_\_\_, President