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# BYLAWS OF THE

## SOUTHWESTERN ILLINOIS BOARD OF REALTORS®, INC.

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### Article I - Name

**Section 1.** Name. The name of this organization shall be the **SOUTHWESTERN ILLINOIS 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.

### Article II - Objectives

The objectives of the Board are:

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

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

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

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

**Section 5.** To unite those engaged in the real estate profession in this community with the ILLINOIS REALTORS® (sometimes “IR” or “State Association”) and the NATIONAL ASSOCIATION OF REALTORS® (sometimes “NAR” or “National Association”), 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 Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® shall include, in the State of Illinois, the counties of Madison, St. Clair, Monroe, Randolph, Jersey, Calhoun, Bond, the southern portion of Macoupin County south of Route 16, and all of Clinton County (except for the easternmost Townships of Irishtown, Carlyle, Clement, Lake, East Fork, Meridian, and Brookside).

**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 various classes of members as follows:

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

(1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Illinois 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 otherwise provided in the following paragraph) in an Association 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.) Certified Residential Real Estate Appraisers, Certified General Real Estate Appraisers and Licensed Associate Real Estate Trainee Appraisers may hold REALTOR® or Affiliate Membership provided they are not licensed to engage in real estate brokerage.

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.

(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 Broker 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, new member orientation 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 of REALTORS®.

(4) Primary and secondary REALTOR® Members. An individual is a primary member if the Board pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another Association. 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" association.

(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 (or to mediate if required by the Board 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 awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential Brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

(c) Affiliate Members. 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 Association. Certified Residential Real Estate Appraisers, Certified General Real Estate Appraisers and Licensed Associate Real Estate Trainee Appraisers may hold REALTOR® or Affiliate Membership. Affiliate membership shall also be granted to individuals licensed or certified 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 estate.

(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 or in association with an established real estate business.

(e) 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 or not 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 thoroughly familiarize themselves with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, 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 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 of Directors, through its CEO or otherwise, may invite and receive information and comment about the applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Board of Directors 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, Constitutions, Rules and Regulations, and Code of Ethics referred to above.

### **Section 2. Qualification**

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Board of Directors that the applicant is actively engaged in the real estate profession, and maintains a current, valid real estate Broker license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of official sanctions involving unprofessional conduct<sup>1</sup>, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall agree that if elected to membership, the applicant will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a

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<sup>1</sup> No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities, (4) findings of violations of the REALTOR®'s Code of Ethics resulting in suspension or expulsion from any Member Association in which applicant is or was a Member.

Designated REALTOR® Member of another Association (if a secondary member) and must maintain a current, valid real estate Managing Broker or Broker's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct<sup>2</sup>, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall agree in writing that if elected to membership applicant will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

- (c) The Board will also consider the following in determining an applicant's qualifications for REALTOR® membership:
1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years
  2. Pending ethics complaints (or hearings)
  3. Unsatisfied discipline pending
  4. Pending arbitration requests (or hearings)
  5. Unpaid arbitration awards or unpaid financial obligations to any other association or association Multiple Listing Service (“MLS”)
  6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant’s firm.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a) (NOTE 2) provided all other qualifications for membership have been satisfied. The Board may reconsider the membership status of such individuals when all pending

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<sup>2</sup> No record of official sanctions involving professional conduct is intended to mean that the Association may only consider:

- A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date
- C. Article IV, Section 2 of the NAR Bylaws prohibits members boards from knowingly granting REALTOR® membership to any applicant who has unfulfilled sanction pending which is imposed by another board or association of REALTORS® for violation of the Code of Ethics that has been discharged for bankruptcy

ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the Board may condition membership on the applicant's certification that applicant will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

### **Section 3. Election**

The procedure for election to membership shall be as follows:

(a) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable Board 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 subsequent review of the application by the CEO. If the CEO determines that the individual does not meet all of the qualifications for membership as established in the Board's bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 6 months or two (2) class offerings, whichever is earlier, from the Board's receipt of the application, membership shall be terminated by the Board of Directors.

(b) Dues shall be computed from the date of application and shall be non-refundable unless the Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on the individual's behalf, to be represented by counsel, and to make such statements as the individual 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 provisional membership should be terminated, it shall record its reasons with the CEO. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, the Board of Directors may specify that termination shall become effective upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

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

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less. Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

Applicants for REALTOR® membership shall complete an orientation program of the Board.

Failure to satisfy these requirements within 6 months of the date of application or alternatively the date that provisional membership was granted will result in denial of the membership application or termination of provisional membership. The orientation program must meet the learning objectives and minimum criteria established from time to time by the National Association of REALTORS.

#### **Section 5. Continuing REALTOR® Code of Ethics Training**

Existing REALTOR® members of the Board (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time every three years. This requirement doesn't apply to applicants for REALTOR® membership who have completed it in another Association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association, the NATIONAL ASSOCIATION OF REALTORS®, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three- year cycle shall not be required to complete additional ethics training until a new three-year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three (3) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3) membership of a member who is still suspended as of that date will be automatically terminated

The responsibility of the Board and of Board members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

**Section 6. Status Changes**

(a) A REALTOR® who changes the conditions under which the individual holds membership shall be required to provide written notification to the Board within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which the individual has been licensed or, alternatively, becomes a principal in a new firm that will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which the individual has transferred within thirty (30) days of the date the individual advised the Board of the change in status, the new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

(c) Dues shall be prorated from the first day of the 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.

(d) A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all the privileges and obligations of membership during the period of transition. If the transfer is not completed within thirty (30) days of the date the Board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

(e) The Board of Directors at its discretion, may waive any qualification that the applicant has already fulfilled in accordance with the Board's bylaws.

**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 Association. 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 CEO, Board of Directors, or upon recommendation by a hearing panel of the ILLINOIS REALTORS® Professional Standards Committee, may be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on



the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Board, the ILLINOIS REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®.

**Section 3.** Any REALTOR® Member 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 CEO, 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 Board or otherwise causes membership to terminate with an ethics complaint pending the complaint shall be processed until the decision of the Board with respect to disposition of the complaint is final by this Board (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 associations to terminate before an ethics complaint is filed alleging unethical conduct occurred when the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the Board with respect to disposition of the respondent's resignation or membership termination, any discipline ratified by ILLINOIS REALTORS® 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 continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former Member was a REALTOR®.

**Section 6.** Privileges of REALTOR® Members

REALTOR® members, whether primary or secondary, in good standing are entitled to vote and to hold elective office in the Board; and may use the terms REALTOR®. For purposes of this section, the term "good standing" means the member satisfies the "Obligations of REALTOR® Members", is current with all financial and disciplinary obligations to the Board and MLS, has completed any new member requirements, and complies with NAR's trademark rules.

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend

or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, whichever may apply. If a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

If a REALTOR® Member other than a sole proprietor 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®.

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR® or the REALTOR® logo; to serve as President of the local association; or to be a participant in the local Association's Multiple Listing Service.

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

**Section 11.** Life Members. Life 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 12.** Certification by REALTOR®. "Designated" REALTOR® Members of the Board shall certify to the Board annually, upon request from the Board and on a form provided by the Board, or as reported by Illinois REALTORS® to the Board a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another association based on said non-member licensees, the Designated REALTOR® shall identify the association to which dues have been remitted. These declarations shall be 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 thirty (30) days of the date of affiliation or severance of the individual.

## **Article VII - Professional Standards and Arbitration**

**Section 1.** The responsibility of the Board and of Board members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as from time to time amended, which by this reference is made a part of these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

**Section 2.** It shall be the duty and responsibility of every REALTOR® Member of this Board to safeguard and promote the standards, interests, welfare of the Board and the real estate profession; and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTORS® must also abide by the Constitution and Bylaws and the Rules and Regulations of the Board, the Constitution and Bylaws of the State Association, 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 mediate and 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 NAR as from time to time amended.

Every REALTOR® member shall maintain a high level of integrity and adhere to the Board's membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be the cause for disciplinary action, up to and including termination of membership.

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 agreement entered into by the Board, which by 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 the Board of Directors. The Board shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by Members is a violation of a membership duty and may subject Members to disciplinary action by the Illinois REALTORS® Professional Standards Committee after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual.

**Section 2.** REALTOR® Members of the Board shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a

state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

**Section 3.** A REALTOR® principal member 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 or Institute Affiliate Members as described in Section 1(b) of Article IV.

- (a) In the case of a REALTOR® member 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 ILLINOIS REALTORS®. By reason of the Board's Membership, each REALTOR® Member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and ILLINOIS 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 of Ethics among its REALTOR® Members. The Board and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the State Association.

## **Article X - Dues and Assessments**

**Section 1. Application Fee.** The Board of Directors may adopt an application fee for REALTOR® Membership in 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 and non-refundable.

**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 brokers, managing brokers 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 Association in the state or a state contiguous thereto or Institute Affiliate Members of the Board. In calculating the dues payable to the Board by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues on said non-member licensees in another association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Board in writing of the identity of the association 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) REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm is actively engaged in the real estate profession as defined in Article III, Section I, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any Managing Broker or Broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest or which is engaged in other aspects of the real estate business provided that such licensee is not otherwise included in the computation of dues payable by the principal 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 Board on a form approved by the Board a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues

of the Designated REALTOR®. Designated REALTORS® shall notify the Board within three (3) days of any change in status of licensees in a referral firm.

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

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

(2) The Designated REALTOR® is responsible for the dues formula amount thirty (30) days after receipt of a license unless within those thirty (30) days, the licensee elects to join the Board.

(b) REALTOR® Members. The annual dues of REALTOR® Members other than the Designated REALTOR® shall be 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). The National Association shall credit (\$35) 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) 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) 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.

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

(e) Public Service Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

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

(g) Life Members. Current Life Members as of August 2017 will continue to be viewed as Life Members and local dues will continue to be waived for as long as they remain members of the Board. As of August 2017, the Life Member category will no longer be a category of membership and no additional Life Memberships will be granted.

**Section 3. Dues Payable.**

Dues for all members shall be payable annually, biannually, or quarterly in advance of the first day of January as determined by the Board of Directors. Dues shall be computed from the date of application and granting of provisional membership. All assessments and special fees shall be determined by the Board of Directors.

(a) In the event a broker licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Board dues, and the individual remains with the Designated REALTOR®'s 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. Nonpayment of Financial Obligations.**

(a) Membership Dues: If annual membership dues are not paid by February 1, one (1) month after the date due, the non-payment member shall be automatically suspended. A member who has had membership placed on suspension for non-payment of annual dues shall be assessed an amount to be determined by the Board of Directors during the time of suspension until the amount is paid in full. March 1, two (2) months after the due date, membership of the non-paying member shall automatically terminate unless within that time the total amount due is paid. However, no action shall be taken to suspend or expel a member for nonpayment of disputed amounts until the Board of Directors has confirmed the accuracy of the amount owed. A former member who has had membership terminated for nonpayment of dues 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.

(b) Fees, Fines, or Other Assessments. If fees, fines, or other assessments, including amounts owed to the Board, or the Boards' Multiple Listing Service are not paid within one (1) month after the date due, the non-paying member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, 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 former members who have had memberships terminated for non-payment of fees, fines, or other assessments duly levied in accordance with the provisions of the 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. Deposits.** Deposits of funds shall be in accordance with policies established by the Board of Directors.

**Section 6. Expenditures.** The CEO shall be authorized to allocate up to \$50,000 for a single capital expenditure; the Board of Directors for a single capital expenditure up to \$150,000; expenditures in excess of these limits must be authorized by a simple majority of membership eligible to vote.

**Section 7. 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 Board Member by electronic means setting forth the amount owed and due date. All notices shall be deemed served when the electronic notice is sent.

**Section 8. Special Fees.** Any special fees recommended by the Board of Directors must be first approved by a majority of REALTOR® Members present at a regularly scheduled or special meeting called in accordance with the bylaws. Notice of the Board of Directors approval of special fees must be noticed to the REALTOR® Members, in writing (by email, publication in the Board's newsletter, or other electronic means), at least seven (7) days prior to a regularly scheduled meeting or a special meeting. Once approved, the special fees are due and payable thirty (30) days from the date of the meeting of which the REALTOR Members approved the fees.

**Section 9.** The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by NAR), Past Presidents and Past Treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

**NOTE:** A Member association's dues obligation to NAR 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 treasurers 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 associations 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®'s dues obligation to the Board with respect to those licensees employed by or affiliated with the "Designated" REALTOR® who are not Members of the local Board.

## **Article XI - Officers and Directors**

**Section 1. Officers.** The elected officers of the Board shall be: a President, a President-Elect, and Vice-President. The elected officers and the Immediate Past President shall be considered the Executive Committee of the Board.

The term of office for the elected officers shall begin on the date of their installation in office and shall continue for one (1) year or until a new Vice-President is elected and the other officers are elevated to their next position in the elected chairs. The term of the Immediate Past President shall continue for one (1) year following the term served as Board President.



**Section 2. Board of Directors.** The governing body of the Board shall be a Board of Directors consisting of the elected officers, President, President-Elect, Vice-President, the Immediate Past President and eight (8) REALTOR® Members elected by REALTOR® Members only. One (1) Affiliate Member elected by vote of the Affiliate Member Committee may serve on the Board for a two-year term. REALTOR® Members shall be elected for a term of three (3) years with staggered terms. The REALTOR® Members terms on the initial Board of Directors may be less than three (3) years.

If any person shall be entitled to membership on the Board of Directors, in more than one capacity, that person shall have only a single vote on matters before the Board of Directors. Elected and appointed Directors and Officers will be considered when determining whether or not there is a quorum.

Any member who has been elected to serve as an elected officer of Illinois REALTORS® or an elected officer of the National Association of REALTORS® will be considered an ex-officio member of the Board of Directors during their term of office as an elected officer of Illinois REALTORS® or the National Association of REALTORS®.

No more than three (3) individuals from the same real estate firm may simultaneously serve on the Board of Directors but will be allowed to complete their term of office if the circumstance occurs before the next scheduled election.

No individual may serve as a Director who has a conflict of interest serving on the Board of Directors of the Board. Directors shall be elected to serve three (3) year terms. No officer shall be elected to succeed themselves after the second consecutive term of office. Directors may not serve more than two (2) three-year terms or for a total of six (6) years as a Director in any nine (9) year period. The CEO is an ex-officio member of the Board of Directors.

**Section 3. Non-Elected Officer.** The Board of Directors shall employ an individual as Chief Executive Officer (CEO) who shall be the Corporate Secretary of the Board, subject to the direction of the President. The CEO shall have such duties and responsibilities as the title by its general usage indicates and such other duties as may be assigned or delegated by the Board of Directors.

The Board of Directors may authorize the CEO to employ such other persons and assign suitable titles as may be necessary to conduct the activities of the Board within the financial limits as prescribed by the Budget of the Board.

**Section 4. Election of Officers and Directors.**

- (a) At least ninety (90) days before the annual election, a Nominating Committee of seven (7) REALTOR® Members shall be appointed by the President and the Executive Committee with the approval of the Board of Directors. The Nominating Committee shall select any number of candidates for each office and at least one candidate for each place to be filled on the Board of Directors, with the exception for the Affiliate Director, who shall be elected by the Affiliate Committee. Final approval or disapproval of candidates will be done by the Board of Directors. The report of the Nominating Committee shall be disseminated (by publication in the Board's newsletter, or by other electronic means) to each Member eligible to vote at least twenty-one (21) days preceding the election. Members of the Nominating Committee may not serve more than two (2) one-year terms in any four-year period.

(b) The election of Officers and Directors shall take place annually as directed by the Board of Directors. The electronic ballot shall contain the names of all candidates and the offices for which they are nominated. The Nominating Committee shall recommend at least one candidate for Vice-President, the Vice-President shall automatically assume the position of President-Elect and the President-Elect shall automatically assume the position of President. Nominations shall be solicited from the current Board of Directors first. If the Nominating Committee does not receive any acceptable candidates for the Board of Directors, the entire memberships will be solicited for nominations for Vice-President. The report of the Nominating Committee shall be disseminated by mail, email or any other electronic means to all members eligible to vote not less than seven (7) days before the election.

The Board may adopt rules allowing electronic voting in conformance with the Illinois Not-For-Profit Corporation Act including but not limited to digital or electronic mail. The Nominating Committee with the President appointing the chair will appoint three (3) REALTOR® members to certify the election. In case of a tie vote, the issue will be determined by the candidates drawing straws. The holder of the shortest straw will assume the position.

(c) Additional candidates for offices to be filled may be placed in nomination by a petition signed by at least 100 REALTORS® members eligible to vote. The petition shall be filed with the CEO at least fourteen (14) days before the election. The CEO shall send notice of such additional nominations by mail, email, or any other electronic means to all members eligible to vote not less than seven (7) days before the elections.

**Section 5. 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 CEO to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the ILLINOIS REALTORS®.

**Section 6. Duties of the Chief Executive Officer (CEO).** The Board of Directors shall employ and direct a Chief Executive Officer (CEO) and maintain an Association office for the benefit of all members. The CEO serves as a paid Officer of the organization and is the only staff member selected by the Board of Directors. The CEO serves as a non-voting member of the Board of Directors and is responsible to the Board of Directors for the effective conduct of the affairs of the Board. The CEO shall ensure a record of the proceedings of the Board meetings and of the meetings of the Board of Directors that shall be, at all reasonable times, and open for inspection by the members of the Board. The CEO recommends and participates in the formulation of the Board's mission, goals, objectives, and related policies. Within that framework, the CEO plans, organizes, coordinates, and directs the staff programs and activities of the Board.

**Section 7. Vacancies.** Vacancies among the Officers and the Board of Directors shall be filled by nomination from the Executive Committee and confirmed by a simple majority vote of the Board of Directors, to serve until the next election.

**Section 8. Removal of Officers and Directors.** In the event that an Officer or Director is deemed 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 procedures:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third 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 or more than forty-five (45) days thereafter, a special meeting of the voting Membership 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 voting Members (by e-mail, publication in the Board's newsletter, or other electronic means) 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 of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

### **Section 9. Indemnifying Officers, Directors, Employees and Agents**

(a) The Board does hereby indemnify 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 (other than on action by or in the right of the Board) by reason of the fact that the individual is or was a Director, Officer, employee or agent of another association, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the individual in connection with such action, suit or proceeding, if the individual acted in good faith and in a manner reasonably believed to be in, or not opposed to the best interest of the Board and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

(b) The Board does hereby indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or complete action, or suit by or in the right of the Board to procure a judgment in its favor by employee, or agent of the corporation, or who is or was serving at the request of the Board as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), actually and reasonably incurred in connection with the defense or settlement of such action or suit, if the individual acted in good faith and in a manner in which the individual reasonably believed to be in, or not opposed to the best interest of the Board, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of a duty to the Board, unless and only to the extent that the court in which such action or suit Board was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses the court shall deem proper.

## **Article XII- Meetings**

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

**Section 2. Meetings of Directors.** The Board of Directors shall designate a regular time and place of meetings. All requests for an excused absence must be made to the President of the Board and/or the CEO prior to the meeting. Absence from three regular meetings without an excuse deemed valid by the Board of Directors shall be constructed as resignation.

**Section 3. Unanimous Consent Without Meetings.** Any action required or permitted by the Articles of Incorporation, bylaws, or any provision of law to be taken by the Board of Directors at a meeting or by resolution may be taken without a meeting if consent in writing or any other electronic means, provided an affirmation of the action is confirmed by the Board of Directors at the earliest opportunity, setting forth the action so taken and shall be signed by all of the Board of Directors then in office.

**Section 4. Other Meetings.** Meetings of the Members 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%) of the Members eligible to vote.

**Section 5. Notice of Meetings.** Written notice (disseminated by, email, publication in the Board's newsletter, or other electronic means) shall be given to every Member entitled to participate in the meeting at least ten (10) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

**Section 6. Quorum.** A quorum for the transaction of business shall consist of five percent (5%) of the Members eligible to vote. A quorum for the transaction of business by the Board of Directors shall consist of a simple majority eligible to be considered for the quorum. A quorum for the transaction of business by approved committees and working groups shall be no less than three Board members.

**Section 7. Resolutions.** Whenever a member at a General Membership meeting proposes a resolution from the floor, which has not previously been referred to a proper committee and the full Board of Directors; same shall not then be adopted but shall first be referred by the President to the proper committee for discussion and recommendation to the full Board of Directors. Thereafter, such matter shall be submitted for vote at the next General Membership meeting following its consideration by the full Board of Directors.

All proposed resolutions must appear in the agenda of the meeting at which the proposed resolutions are to be considered.

Notwithstanding the above and foregoing, if any member calls for a show of hands vote as to whether a resolution proposed from the floor which has not previously been referred to a proper committee and the full Board of Directors should be considered for adoption without referral, then such vote shall be taken and in the event that two-thirds (2/3rds) of the members then in attendance and having the right to vote determine that said resolution be considered without referral, then same may be discussed, considered and voted upon at the same General Membership meeting at which same has been offered for adoption.

**Section 8. Electronic Transaction of Business.** To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means.

## **Article XIII - Committees**

**Section 1. Standing Committees.** The President and the Executive Committee shall appoint with consultation from the CEO from among the Members, and select the chairperson “(exclude the Nominating Committee Chair and Vice Chair who will be appointed by the Board of Directors)” subject to confirmation by the Board of Directors, the following standing committees:

- Budget/Finance
- Grievance
- Nominating
- Special Awards Committee
- Appointments to the Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Board
- The President of the Board and the Executive Committee shall appoint all committee chairpersons subject to confirmations by the Board of Directors.

The following meetings will be closed to everyone except the committee, staff, and the Board CPA or Board Financial Advisor upon the request of the CEO/Committee Chair unless otherwise required by governing law or a court order.

- Budget and Finance Committee
- Grievance Committee
- Nominating Committee
- Special Awards Committee
- Executive Committee

24 hour advance notice, in writing, of attendance at any open meeting besides the committee or working group members or staff must be given to the CEO.

**Section 2. Organization.** All committees and working groups shall be of such size and shall have duties, functions, and powers as assigned by the President and the Executive Committee except as otherwise provided in these Bylaws.

**Section 3. President.** The President shall be a nonvoting *ex-officio* member of all standing committees except Nominating Committee and Grievance Committee and shall be notified of the meetings.

**Section 4. Action Without Meeting.** Any special committee and task force may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of all of the members of the committee showing unanimous consent.

**Section 5.** **Attendance by Telephone/Digital Media.** Members of a committee or working group may participate in any meeting through the use of a conference telephone or similar communications equipment where all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

## **Article XIV – Association Reserves**

**Section 1.** Board minimum reserves will be at 6 months of the annual operating budget. If the reserves drop below this level, this shall be reviewed at the next Board of Directors meeting to determine what action needs to be taken.

## **Article XV - Fiscal and Elective Year**

**Section 1.** The fiscal year of the Board shall be the calendar year. The elective year shall be from October 1 to September 30.

## **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.** These Bylaws may be amended by a majority vote of the 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 that are mandated by NAR policy.

**Section 2.** Notice of all meetings at which amendments to the Bylaws are to be considered shall be delivered by, email, publication in the Board's newsletter, or other electronic means to every member eligible to vote at least ten (10) days prior to the meeting. Delivery to every Member's office and posting of notice on the Board's website will be deemed delivered.

**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 affairs of this Board, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to Illinois REALTORS® or, within its discretion, to any other not-for-profit tax- exempt organization.

## **Article XIX - Multiple Listing**

**Section 1. Authority.** (MARIS) is maintained for the use of its members. The members shall be subject to abide by the bylaws of the MARIS and such rules and regulations as may be hereinafter adopted.

The Board also has a contract with Midwest Real Estate Data, LLC (MRED) for the use by its members. The members shall be subject to and abide by the bylaws of the Board and MRED and such rules and regulations that may be hereinafter adopted.

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

**Section 3. Governing Documents.** The corporate charters, constitutions, bylaws, rules, regulations, policies, practices, and procedures of all three (the Board, MARIS, and MRED) shall at all times conform to the requirements of the constitutions, bylaws, rules, regulations, and policies of the National Association REALTORS®.

**Section 4. Participation.** Any REALTOR® member of this or any other Association who is a principal, partner, corporate officer, or branch manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service (MLS) "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept 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 Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification, and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Multiple Listing Service where access to such information is prohibited by law.

Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm "offers or accepts cooperation and compensation" means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts, nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies State law.

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. The requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website (VOW) (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation.

An MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a reasonable basis to believe that the participant or potential participant is, in fact, not doing so. The membership requirement shall be applied in a non-discriminatory manner to all participants and potential participants.

**Section 5. Subscribers.** Subscribers (or users) of the MLS include non-principal managing brokers, Illinois licensed, and certified appraisers affiliated with participants. Subscribers also include affiliated unlicensed administrative and clerical staff and personal assistants who are under the direct supervision of an MLS Participant or the Participant's licensed designee.

**Section 6. Charges, Fees for Service** Each participant, and subscriber will pay fees or charges as determined by the Multiple Listing Service and shall pay such directly to MARIS in the manner and frequency as required, and for MRED, each participant will pay the Board as required. Failure to pay will subject the participant or subscriber to such disciplinary action (including suspension or expulsion) as required by the bylaws.

## **Article XX**

If any part of the Bylaws refers to a date, time period or deadline in "days", said reference to days shall mean calendar days unless specified otherwise.