

B Y L A W S

of the

Mainstreet Organization of REALTORS®

Revised: January 2018

Last Approved by NAR – May 2017

A R T I C L E I - N A M E

Section 1. Name

The name of this organization shall be the Mainstreet Organization of REALTORS®, hereafter referred to as the "Association."

Section 2. REALTORS®

Inclusion and retention of the term REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

A R T I C L E II - O B J E C T I V E S

The objectives of the Association 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 interest of home and other real property ownership.

Section 5. To safeguard and advance the interests of real estate owners, occupants or users, and those engaged in the real estate profession.

Section 6. To ensure that real estate services are not denied to any individual because of age, race, color, religion, sex, ancestry, marital status, physical or mental handicap, familial status, national origin, sexual orientation, military status, dishonorable discharge from the military service, or any other class protected by the Illinois Human Right Act.

Section 7. To ensure strict compliance by federal, state and local governments or their agencies, with the Constitution of the United States and the Illinois State Constitution in real estate matters.

Section 8. To protect, secure and vindicate through petition and, if necessary, litigation, the rights of owners, occupants or other users of real estate and real estate professionals, secured by the Constitution of the United States and the Illinois State Constitution.

Section 9.

To unite those engaged in the real estate profession with the Illinois Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and the nation and obtaining the benefits and privileges of membership therein.

Section 10.

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. Territorial Jurisdiction:

The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® shall include the following area:

All of the County of DuPage plus that area in Cook County contiguous to DuPage County and bounded as follows: **ON THE NORTH:** all of Leyden Township in Cook County except that portion of Park Ridge in Leyden Township and except O'Hare International Airport and that part of the City of Chicago leading thereto, but including Elmwood Park, River Grove, Franklin park, Schiller Park, and Northlake Village. **ON THE EAST:** south along the Des Plaines River beginning at North Avenue to the north side of Cermak Road; west along Cermak Road to the west side of 19th Avenue, then to the south boundary of Broadview, Illinois; west to the Indiana Harbor Belt Railroad; south along the Indiana Harbor Belt Railroad to 26th Street; then east to Harlem Avenue; south along Harlem Avenue to Ogden Avenue; west on Ogden Avenue to Custer Avenue; south on Custer Avenue to 47th Street; east on 47th Street to 1st Avenue; south on 1st Avenue to the Illinois and Michigan Canal. **ON THE SOUTH:** west along the Illinois and Michigan Canal to Cook-DuPage County line, including the villages of Riverside, Brookfield, LaGrange, LaGrange Park, Western Springs, Countryside, LaGrange Highland, and lands south of these villages to the Illinois and Michigan Canal.

Where the Cal-Sag Canal meets the Will County Line; South on the Will County Line to the East jog (135th Street); East on 135th Street to South jog (Will/Cook Road); South on Will/Cook Road to 183rd Street to Harlem Avenue; South on Harlem Avenue to Interstate 80; South on the Will County Line and proceeding in a straight line South to the Will County/Kankakee County Line; East to the Illinois/Indiana State Line; North along said Line to 138th Street; West on 138th Street to Indiana Street; North on Indiana Street to Little Calumet River; Then, in a West by Northwesterly direction along the Little Calumet River to Morgan Street; North on Morgan Street

to 127th Street; East on 127th Street to Halsted; North on Halsted Street to Chicago Limits (123rd Street); West on 123rd Street to Ashland; North on Ashland to 119th Street to Sacramento; North on Sacramento to 115th Street; West on 115th Street to Crawford Avenue; North on Crawford Avenue to 103rd Street; East on 103rd Street to California Avenue; North on California Avenue to 99th Street; East on 99th Street to Western Avenue; North on Western Avenue to 87th Street; West on 87th Street to Cicero Avenue; North on Cicero Avenue to 79th Street; West on 79th Street to Cal-Sag Canal; Southwesterly along Cal-Sag Canal to Will County Line, point of beginning. To include Communities of Evergreen Park, Hometown, Bridgeview, Justice, Lemont, Orland Park, Tinley Park, Matteson, Beecher, Sauk Village, Lynwood, Lansing, Calumet City and Burnham. Worth Township (Except Chicago); Calumet Township (Except Chicago); Thornton Township in Blue Island; and Orland, Bremen, and Palos Townships – All in Cook County.

Townships included in the Will Country area included in those boundaries are Will, Monee, Crete, and Washington, excluding the portion of the town of Peotone which lies in the Township of Will (in the Will County area); and also, city limits of Calumet City and Burnham.

The territorial jurisdiction of the Association as a Member Association of the National Association of REALTORS® shall include all of Schaumburg Township; all of Palatine Township except that part lying within the boundary of Barrington High School District No. 224 as of November, 1968; all of Wheeling Township lying West of the Des Plaines River; all of Elk Grove Township; all of Maine Township excluding that part within the City of Chicago and also excluding that part of Maine Township East of Milwaukee Avenue and North of Dempster Street; all of the City of Park Ridge; all in Cook County, Illinois.

And all of Lake County, Illinois; except the specific cities of Highland Park, Highwood, Lake Forest, Deerfield, and all of Cuba Township and that part of Ela Township and Vernon Township lying South of Cuba Road and West of State Route 83.

Section 2. Territorial Jurisdiction Definition:

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

ARTICLE IV - MEMBERSHIP

There shall be eight (9) classes of Members as follows:

Section 1. REALTOR®

REALTOR® Members: REALTOR® Members, whether primary or secondary, shall be:

- (A) 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 is 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 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.

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.

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

Section 2. Institute Affiliate Members:

Institute Affiliate Members shall be individuals who hold a professional designation 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.

Section 3. 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 Section 1, Parts a or b, of this Article, have interests requiring information concerning real estate and are in sympathy with the objects of the Association. (They shall not be eligible to vote or hold elective office in this Association.)

Section 4. Public Service Members

Public Service Members shall be individuals who are interested in the real estate profession as salaried employees of 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. (They shall not be eligible to vote or hold elective office in this Association.)

Section 5. Honorary Members

Honorary Members shall be individuals who have performed notable service for the real estate profession, for the Association and for the public; and whose honorary membership has been approved by a vote of the Board of Directors. Honorary Members shall also include any past president who has been with the Association for at least 20 years. Honorary Members do not pay local dues.

Section 6. REALTORS® Emeritus

A REALTOR® Member who has achieved forty (40) cumulative years of membership as a REALTOR® and/or REALTOR ASSOCIATE® in the National Association, and this Association or another Association/Board/Organization is entitled to membership classification as a "REALTOR® Emeritus," subject to approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

Section 7. Honorary Life Members

Any Past President or other REALTOR® Member who is no longer actively engaged in the field of real estate and who has been proposed and approved by two thirds of the Board of Directors shall be an Honorary Life Member. Honorary Life Members shall have the privileges and rights of REALTOR® Members.

Section 8. Distinguished Members

The Distinguished Membership category will be a tool to show appreciation for those members who have served the Association for twenty-five years or longer and who are leaving the real estate field but want to remain a part of the Association.

Section 9. Student Members

Individuals who are enrolled as students in a post-secondary educational institution, have an interest in real estate issues, including brokerage, land use, finance, investment and property rights, are at least eighteen years of age and who do not hold a real estate or appraisal license or certification from any state shall be eligible for Student Membership in the National Association. Upon approval of their membership by the Board of Directors, Student Members shall have such privileges, duties, and rights of membership, as outlined below:

Tier 1: Board Member Only – Any Student as outlined above can join the Association as a Student Member, and shall pay the local Association dues. The Student Member shall have access to the Association's Web Site, weekly E-mails and Event/C.E. Schedules. They are not entitled to MLS privileges, vote, hold office or use the terms REALTOR® or REALTOR-ASSOCIATE®.

Tier 2: MLS Access - A Student Member will only have access to MRED as an "Unlicensed Assistant" if the Student is working for a REALTOR® Office. The D.R. of the Office shall pay for the amount required for an "Unlicensed Assistant". An Unlicensed Personal Assistant has the ability to add or change listing contacts, CMA searches, etc. The Student Member shall not be entitled to vote, hold office or use the terms REALTOR® or REALTOR-ASSOCIATE®.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application

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 that applicant agrees as a condition of membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitution, Bylaws, and Rules and Regulations of the Association Organization and of the State and National Associations and, if elected a Member, to abide by the Constitutions and Bylaws and Rules and Regulations of the Association and of the State and National Associations and, if a REALTOR® Member, to 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. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification

(A) An applicant for REALTOR® Membership shall supply satisfactory evidence as follows:

- (1) If a principal, partner, corporate officer, or branch office manager, written evidence that he is actively engaged in the real estate business, that he maintains a current valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and that he has a place of business within the state or a state contiguous thereto.

- (2) If an individual other than a principal, partner, corporate officer, or branch office manager, a written Application affirming that he is associated either as an employee or as an independent contractor with a REALTOR® Member who maintains an established real estate business.
- (B) Shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the Illinois Association of REALTORS®, and the Constitution, Bylaws, and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®. Failure to satisfy this requirement within 90 days of the date that membership was granted, will result in termination of membership.
- (C) Applicants for membership as Affiliate Members, Public Service Members, Honorary Members, Student Members, REALTORS® Emeritus, and Honorary Life Members shall meet such requirements and follow such procedures as are defined in Article IV and further implemented as necessary by the Board of Directors.

Section 3. Election

The procedure for election to membership shall be as follows:

- (A) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the board of directors.
- (B) If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 90 days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. 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. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.
- (C) The board of directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the board of directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The board of directors may also have counsel present. The board of directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.
- (D) If the board of directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

Section 4. Ethics Training:

- (A) Members shall be required to complete ethics training of not less than two hours and thirty minutes of instructional time effective January 1, 2017, through December 31, 2018, and for successive two-year periods thereafter (with the exception of REALTOR® members granted REALTOR® Emeritus status by the NATIONAL ASSOCIATION). This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any two year cycle shall not be required to complete additional ethics training until a new two year cycle commences. Failure to satisfy this requirement within 90 days of the date that membership was granted, will result in termination of membership.
- (B) Failure to satisfy this requirement shall be considered a violation of membership duty for which REALTOR® membership shall be suspended.
- (C) Failure to meet the requirement of any two (2) year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of member who is still suspended as of that date will be automatically terminated.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

Section 1.

The privileges and obligations of members, in addition to those otherwise provided in these Bylaws, shall be as specified in this Article.

Section 2.

Any member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws or Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®. Although members other than REALTOR® Members are not subject to the Code of Ethics or its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, members other than REALTOR® Members may, upon recommendation by a hearing panel of the Professional Standards Committee and/or action of the Board of Directors, be subject to discipline as described above for any conduct which, in the opinion of the Board of Directors, applied on a non-discriminatory basis, reflects adversely on the terms REALTOR® or REALTORS® and the real estate industry or for conduct that is inconsistent with or adverse to the objectives and purposes of the Association, the Illinois Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3.

Any REALTOR® Member of the Association 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 NATIONAL ASSOCIATION OF REALTORS®, 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.

- (A) Only those REALTOR® Members, both primary and secondary, whose financial obligations to the Association are paid in full and whose educational requirement has been met shall be entitled to vote and to hold elective office in the Association.
- (B) Resignations of members will be effective upon receipt of a copy of the signed off license. The resignation does not release the member from any past financial obligation. However, if the member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services and/or has failed to meet the education requirement, the Association may condition the right of the resigning member to re-apply for membership upon payment in full of all such monies owed and/or completion of the education requirement. Resignation does not negate any pending arbitration. If a member resigns from the Association with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®; or if a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®; or if the member resigns without having complied with an award or arbitration, the Board of Directors may condition any re-application of the former member upon his promise to pay the award, plus any costs that have previously been established as due and payable by the former member, provided that the award has not, in the meanwhile, been otherwise satisfied.
- (C) REALTOR® Members who have been suspended or terminated for failure to meet the education requirement may be reinstated in good standing by completing the requirement and rendering proof of completion to the Association within one year of the effective date of suspension or termination.
- (D) Only REALTOR® Members may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII.
- (E) REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.
- (F) A REALTOR® Member is a principal in a firm, partnership, or 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 his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® and REALTORS® by the firm, partnership, or corporation shall not be affected.

(D) As required by state law, each office or branch office must have a managing broker.

Section 5. Institute Affiliate Members

Institute Affiliate Members shall have rights and privileges and be subject to obligations as are prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Section 6. Affiliate Members

Affiliate Members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors.

Section 7. Public Service Members

Public Service members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors.

Section 8. Honorary Members

Honorary Members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors.

Section 9. Student Members

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

Section 10. REALTORS® Emeritus

A REALTOR® Emeritus is not obligated to pay dues for him/herself, but is obligated to pay annual membership dues based on the number of licensees employed by or associated with the REALTOR® Emeritus. Only REALTORS® Emeritus whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association.

Section 11. Honorary Life Members

Honorary Life Members shall have such privileges and rights and be subject to such obligations and disciplines as may be prescribed by the Board of Directors.

Section 12. Harassment

Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the those members of the Executive Committee not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the Association's Code of Ethics and Arbitration Manual. If the Complaint names any member of the Executive Committee, he, she or they may not participate in the proceedings and shall be replaced by the the members of the Executive Committee not named in the complaint or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

Section 13. Conduct Detrimental to the Association; Sanctions

The Executive Committee may take the following actions on behalf of the Association:

- A) Reprimand, place on probation, suspend or expel any member convicted of a felony or misdemeanor if the crime, in the determination of the members of the Executive Committee (except for any member of the Executive Committee so convicted), relates to the real estate business or puts clients, customers, or other real estate professionals at risk. The Association may refuse to sell or lease lock box keys, may terminate any existing key agreements, may refuse to activate or reactivate any key held by such member or may deny to such member access to any technology developed now or in the future that relates to having or gaining access to real estate by or through such multiple listing service or services with which the Association maintains or shall maintain a business relationship now or in the future.
- B) Suspend any one or all of the privileges of any member to have access to or to use lock box keys, or terminate any existing key agreements, or refuse to activate or reactivate any key held by such member, or deny to such member access to any technology developed now or in the future that relates to having or gaining access to real estate by or through such multiple listing service or services with which the Association maintains or shall maintain a business relationship now or in the future, following the arrest and prior to the conviction of such member of any felony or misdemeanor if the crime, in the determination of the members of the Executive Committee (except for any member of the Executive Committee so

arrested), relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

- C) Factors that may be considered by the Executive Committee in making a determination described in paragraphs 13 A) and 13 B) above include, but are not limited to:
- 1) The nature of the seriousness of the alleged conduct;
 - 2) The relationship of the conduct to the purposes for limiting access to real estate or to the technology for accessing real estate;
 - 3) The extent to which access or continued access to real estate or to the technology for accessing real estate might afford opportunities to engage in similar activities of a criminal nature;
 - 4) The extent and nature of past activities of a criminal nature;
 - 5) The length of time in which the alleged criminal activities have or had occurred;
 - 6) Evidence of rehabilitation of such member during incarceration or following release;
 - 7) Evidence of present fitness of such member.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1.

The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members and the arbitration of disputes, and the organization and procedures incidental 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 reference is made a part of these Bylaws.

Section 2.

It shall be the duty and responsibility of every REALTOR[®] Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS[®], including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics and as further defined by and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS[®] as from time to time amended.

Section 3.

Professional Standards and Arbitration Section 53. The Award. If an award has been rendered, the non prevailing party must, within (10) days following receipt of the award, either (1) pay the award to the party(ies) named in the award or (2) deposit the funds with the Association Treasurer or Association Chief Executive Officer to be held in a special Association escrow account maintained for this purpose. Failure to satisfy the award or to deposit the funds with the Association within this time period may be considered a violation of a membership duty and may subject the member to disciplinary action at the discretion of the Board of Directors.

The non prevailing party shall have twenty (20) days following receipt of the award to request procedural review of the arbitration hearing procedure or to have legal counsel notify the Association Secretary or Chief Executive Officer that a legal challenge to the validity of the award has been initiated.

If a request for limited procedural review of the arbitration procedure is received within twenty (20) days, the funds deposited with the Association shall be retained in the Association's escrow account until the review is completed. If the arbitration award is confirmed by the Board of Directors following the conduct of the limited procedural review, the non prevailing party shall have an additional fifteen (15) days to institute an appropriate legal challenge to the validity of the arbitration award. In such case, the non prevailing party shall also cause legal counsel to advise the Association in writing that a suit challenging the validity of the arbitration award has been filed during this additional fifteen (15) day period. After fifteen (15) days, if written notice of a suit challenging the validity of the arbitration award has not been received by the Association, the funds shall be released from escrow and paid to the prevailing party. If written notification is received during the fifteen (15) day period, the funds will be held in escrow pending the determination of the matter by a court of competent jurisdiction.

If the non prevailing party does not request the Association to conduct a procedural review of the arbitration hearing process during the twenty (20) day period following service of the award, then written notification that a legal challenge has been instituted must be received within the twenty (20) days following service of the award. Failure to provide written notification that a suit challenging the validity of the award has been filed within twenty (20) days following service of the award will result in the award being paid from the Association's escrow to the prevailing party.

Section 4.

The responsibility of the Association and of Association members relating to the enforcement of the SentiLock System, the disciplining of members and procedures incidental 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 reference is made a part of these Bylaws.

Members agree to abide by the following requirements of the SentiLock User Agreement:

- (A) To keep the SentiCard in SentiLock User's possession or in a secure place at all times;
- (B) To not allow the User's PIN Number (or personal ID Number) to be attached to the SentiCard;
- (C) To not provide access to the User's SentiCard to any other person, for any purpose whatsoever, or permit the SentiCard to be used for any purpose by any other person (i.e. licensed or unlicensed assistant(s), co-listener(s), team member(s) etc.);
- (D) To follow any additional security procedures as may be specified by MORE;
- (E) To ensure One Day Codes are only given as previously approved by the seller;
- (F) To be the only person to use a One Day Code and to take responsible steps to ensure security of that code;
- (G) To review Mainstreet Organization of REALTORS®' *Best Practices for Issuing One Day Codes*;
- (H) To be responsible in communicating said best practices to any third-party showing service and that to be responsible for the actions of any third-party showing service;
- (I) To not provide access to the SentiSmart App to any other person, for any purpose whatsoever, or permit the SentiSmart App to be used for any purpose by any other person (i.e. licensed or unlicensed assistant(s), co-listener(s), team member(s) etc.);
- (J) To not provide any mobile access code for any lockbox to any other person;
- (K) To secure the prior authorization from an owner or tenant of any property listed for sale or lease prior to the installation and use of a lockbox on said property.

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

Section 1.

Use of the terms REALTOR® and REALTORS® by members shall, at times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the rules and regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual (Amended 6/06).

Section 2.

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

Section 3.

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

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

Section 4.

Institute Affiliate Members shall not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERS

Section 1.

The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the Illinois Association of REALTORS®. By virtue of such membership, each REALTOR® Member of the Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Illinois Association of REALTORS® without further payment of dues. The Association shall continue as a member of the State and National Associations unless, by a majority vote of all 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 Association recognizes the exclusive property right of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. It shall forthwith 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 Association hereby adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the code among its membership. Although members other than REALTOR® Members are not subject to the Code of Ethics or its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and to conduct their business and professional practices accordingly. The Association agrees to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Illinois Association of REALTORS®, and all its members shall subscribe to and comply therewith.

ARTICLE X - DUES AND ASSESSMENTS

Section 1.

- (A) Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in 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 Association upon final approval of the application.
- (B) Reinstatement Fee. Any member may be reinstated, with a reinstatement fee, during the current year if dues for the current year and all other fees are paid in full.
- (C) Initiation Fee. Any member reinstating membership that has lapsed more than the current year will be required at the time of rejoining to pay all current membership fees along with the initiation fee.
- (D) MLS Waiver. A MLS waiver request will be referred to the Multiple Listing Service for review. At the end of such MLS/Membership Waiver, the REALTOR® member shall be reinstated with no additional fees except the unpaid MLS fees and Association dues prior to granting the MLS/Membership Waiver shall be paid in full.

Section 2. Dues

- (A) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in an amount to be 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, salespersons, branch office managers, and licensed or certified appraisers (1) who are employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed with such REALTOR® Member and (2) who are not REALTOR® Members of any Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Board by a Designated REALTOR® Member, non-member licensees as defined above shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another association/board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the association/board to which dues have been remitted. The annual dues of each REALTOR® Member other than the Designated REALTOR® shall be in an amount to be established annually by the Board of Directors. 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 this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

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

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

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

- (B) 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®.
- (C) Affiliate Members. The annual dues of each Affiliate Member shall be as prescribed from time to time by the Board of Directors. Statements issued to Affiliate Members for dues shall show as separate items an allocation of local Association dues to reflect the Association's dues obligations to the Illinois Association.
- (D) Public Service Members. The annual dues of each Public Service Member shall be as prescribed from time to time by the Board of Directors, plus the annual dues for the Illinois Association of REALTORS®.
- (E) Honorary Members, and Honorary Life Members. No dues shall be payable.
- (F) REALTOR® Emeritus. REALTOR® Emeritus dues will be waived effective the dues year immediately following the NAR Board of Directors approval of the designation. Such designation for National Association membership shall be furnished by the NATIONAL ASSOCIATION OF REALTORS® certificate.

Section 3. Dues Payable

Dues for all members shall be payable annually in advance on the first day of December. All outstanding fees or monies owed to the Association must be current in accordance to the Association's financial policies for membership to be renewed. Dues shall begin on the first day of the month in which a member shall be notified of election and shall be prorated for the year.

Section 4. Non Payment of Financial Obligations

If dues, fees, fines, and other assessments including amounts owed to the Association or the Multiple Listing Services are not paid within thirty (30) days after the due date, membership or services of the non-paying member shall automatically terminate unless, within that time, the amount due is paid or is disputed in writing. However, no action shall be taken to suspend or expel a member for non-payment of the disputed amount until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had his membership or services suspended or terminated for non-payment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other rules and regulations of the Association or any of its services, departments, or divisions may apply for reinstatement in a manner prescribed for new applicants, after making payment in full of all accounts due as of the date of suspension or termination.

Section 5. Deposit

All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures

The Board of Directors shall administer the finances of the Association and approve the annual budget, provided, however, that the total Association expenditure in any fiscal year of the Association shall not exceed the total Association revenue of that fiscal year plus ten percent (10%) of the reserves.

Section 7. Segregation of Dues

The Treasurer or appropriate staff shall record separately the dues collected and owing to the NATIONAL ASSOCIATION OF REALTORS® and the Illinois Association of REALTORS® and shall forward such dues to the respective Associations when collected. No portion of the sums collected on behalf of the NATIONAL ASSOCIATION OF REALTORS® and the Illinois Association of REALTORS® shall be used for purposes of the Association.

Section 8. Audit

The accounts of the Association shall be audited annually effective the last day of the fiscal year, and report of such audit shall be furnished to the Board of Directors for their review and approval.

Section 9. Certification of REALTORS®

Each Designated REALTOR® Member of the Association shall certify to the Association individuals licensed with the Designated REALTOR® Member firm within the state and shall designate a primary association /board for each individual. These declarations shall be used for purposes of calculating dues under Article X, Section 2, Part a, of the Bylaws. Designated REALTOR® Members shall also notify the Association of the affiliation of any licensee with the firm or of the severance of affiliation of any licensee with the firm within ten (10) days of the affiliation or severance of affiliation.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers

The officers of the Association shall be a President, a President Elect, and a Treasurer. The officers shall serve for a term of one (1) year. The Board of Directors, at the March meeting preceding the annual election, shall from the Board

of Directors elect the officers for the next year, except for the President. The President Elect shall become President the year following his/her election to President Elect. The Immediate Past President is ineligible for any office.

Section 2. Duties of Officers

- (A) 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.
- (B) The President Elect shall assume the duties of the President if the President is unable to serve. The President may delegate other duties, as deemed necessary and appropriate.

Section 3. Executive Committee

The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by the Bylaws or otherwise, shall designate the Immediate Past President, President, President Elect, and Treasurer to constitute an Executive Committee, which Committee, to the extent provided in such resolution, shall have and exercise all the authority of the Board of Directors in the management of the Association, except as otherwise required by law. Vacancies in the membership of the Committee shall be filled by the Board of Directors at a regular or special meeting of the Board of Directors. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Association when required.

Section 4. Board of Directors

- (A) The governing body of the Mainstreet Organization of REALTORS® shall be a Board of Directors. The Board Of Directors shall consist of one Immediate past president, one President, one President Elect, one Treasurer, and fourteen (14) additional members who are authorized to hold elective office in the Association. No member may hold an elected office in the Mainstreet Organization of REALTORS®, or participate on the Board of Directors unless the member's primary income is derived from the real estate industry.
- (B) The fourteen (14) elected Directors shall each serve a term of three (3) years. The terms of five (5) Directors shall expire each year, except that every third year the terms of four (4) Directors shall expire. No Director may serve more than two (2) consecutive terms, whether elected or appointed. In the instance of being appointed to fill an unexpired term, an appointee serving eighteen (18) months or more of the unexpired term will be considered to have served a full term.

Section 5. Chief Executive Officer

The Chief Executive Officer shall be an employee of the Mainstreet Organization of REALTORS®, and subject to the direction and control of the Executive Committee; shall be in charge of the business of the Mainstreet Organization of REALTORS®; shall see that the resolutions and directions of the Board of Directors are carried into effect except in those instances in which that responsibility is specifically assigned to some other person by the Executive Committee; and shall have such other duties as may be prescribed by the Executive Committee from time to time.

Section 6. Election of Officers and Directors

- (A) At the October Board of Directors meeting, the President shall appoint, with the approval of the Board of Directors, a Nominating Committee consisting of seven (7) REALTOR® Members authorized to vote (with no more than one (1) per firm), no more than 3 current Directors and/or Officers, one of which is the Immediate Past President, who may preside as Chairperson and four (4) members who have served as past Directors and/or Officers of the REALTOR® Organization. Prior to the March Board of Directors meeting, announcement of the formation of the Nominating Committee shall be sent to the members authorized to vote reciting the names of the members of the Nominating Committee and urging members to submit profiles for nomination for a Director position on the Board. A report of the Nominating Committee shall be presented to the Board of Directors at the April Board of Directors meeting. The minimum number of nominees the Nominating Committee may submit to the Board of Directors is the number of positions available; the maximum number of nominees is three (3) times the number of positions available. No member of the Nominating Committee may be nominated by the Committee. If approved by the Board of Directors, the slate will be furnished to those members authorized to vote within two (2) weeks after approval. If the Board of Directors does not approve the Report from the Nominating Committee, it will be referred back to the Nominating Committee. Additional candidates for the offices to be filled may be placed in nomination by a petition signed by a minimum of 250 signatures of the members authorized to vote. The petition shall be filed with the Treasurer at least four (4) weeks before the election. The Treasurer or appropriate staff shall send notice of such additional nominees to all members authorized to vote before the election.
- (B) If an election Committee is needed, at the April Board of Directors meeting, the President shall appoint, with the approval of the Board Directors, an Election Committee consisting of three (3) members authorized to vote who are not candidates, not on the Board of Directors, and not on the Nominating Committee. The Election Committee shall conduct the election by establishing the form of ballots and the election rules and procedures as it deems appropriate, subject to the approval of the Board of Directors. The election shall be held no later than the last Monday in June. The entire membership may vote for all Directors. The candidates with the highest number of votes will fill the positions. In the event of a tie for any Director position available, a run-off election between the candidates who are tied shall be conducted.

Section 7. Vacancies

- (A) A vacancy on the Board of Directors shall be filled by appointment by the President, with the approval of the Board of Directors, for the balance of the term, or until the next annual election. A vacancy shall be discussed at the Board of Directors meeting following the vacating of the position.
- (B) In the event that a vacancy is created by the election of a Director to the Executive Committee prior to the expiration of that Director's term, the vacancy shall be filled, prior to the vacating of the position, by appointment by the President, subject to the approval of the Board of Directors.

Section 8. Suspension and Removal of Officers and Directors

Any officer elected or appointed by the Board of Directors and any Director may be suspended or removed by the Board of Directors whenever, in its judgment, the best interests of the Association would be served thereby. A two-thirds (2/3) majority vote of the Board of Directors is needed for such suspension or removal except that, in the suspension or removal of a Director, the two-thirds (2/3) majority must equal at least fifty percent (50%) of the number of Directors holding office. The absence of any Director from three (3) meetings shall mean automatic removal from the Board of Directors.

Section 9. Meetings

- (A) Regular Meetings. The Board of Directors shall designate a regular time and place of meetings.
- (B) Special Meetings. Special meetings of the Board of Directors or the Executive Committee may be called by the President or at the request of any two (2) members thereof.
- (C) Notice of Meetings. Notice of any special meeting shall be given at least three (3) days previous thereto by notice to each Director at his business address or e-mail address. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.
- (D) Quorum. A majority of the number of Directors holding office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, except that a quorum for considering the suspension or removal of a Director shall be two thirds (2/3) of the number of Directors holding office.

Section 10. Indemnification of Directors and Officers

The Mainstreet Organization of REALTORS® shall indemnify every Director or Officer against expenses reasonably incurred by him/her in connection with any action, suit, or proceeding to which he/she may be made a party by reason of his/her being or having been a Director or officer of the Mainstreet Organization of REALTORS®, except in relation to matters as to which he/she shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty; in the event of settlement, indemnification shall be provided if it shall be found by a majority of the Directors not involved in the matter in controversy that it was in the interests of the Mainstreet Organization of REALTORS® that such settlement be made and that such Director or officer was not guilty of negligence or misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which such Director or officer may be entitled.

Section 11. Manner of Acting

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 12. Presumption of Assent

A Director of the Association who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Treasurer of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE XII - MEETINGS

Section 1. Annual Meeting

The annual meeting of the Association shall be held during September of each year, the date, place, and hour to be designated by the Board of Directors.

Section 2. Other Meetings

Meetings of the Association members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least ten (10) percent of the members authorized to vote.

Section 3. Notices of Meetings

Written notice shall be given to every member entitled to participate in the meeting at least one week preceding all meetings. If a special meeting is called it shall be accompanied by a statement of the purpose of the meeting.

Section 4. Quorum

A quorum for the transaction of business shall consist of three (3) percent of the members authorized to vote.

ARTICLE XIII - VOTING OF THE MEMBERSHIP

Section 1.

The Board of Directors shall pass a resolution authorizing the submission of the question or questions to be voted upon by the membership.

Section 2.

Notice shall be sent to the membership in writing at least fifteen (15) days prior to the date of the ballot and shall include the voting procedure and the deadline for receiving ballots. No ballot received after 4:00 p.m. on the effective date shall be counted.

Section 3.

The Board of Directors shall determine the voting procedure, which may include voting in person at a meeting or a polling place and/or voting by fax, mail, or internet. Each ballot must be properly submitted, and each voter must be a member in good standing and provide proper identification.

Section 4.

To be valid, any vote which includes ballots submitted by fax, mail, or internet, must have a response of a minimum of three (3) percent of the members authorized to vote.

Section 5.

A majority of the ballots received shall decide the question submitted except for the election of Directors, which shall be determined as established in Article XI, Section 6 and Section 7.

ARTICLE XIV - COMMITTEES

Section 1. Standing Committees

The President shall appoint Chairs and Committee members from among the REALTOR® and Affiliate members, subject to confirmation by the Board of Directors, for the following standing committees:

- Affiliate Committee
- Audit/Finance Committee
- Broker/Lawyer Committee
- Commercial Alliance Committee
- Governmental Affairs Committee's (Central, South, North, Lake)
- Grievance Committee
- Global Committee
- Nominating Committee
- Professional Standards Committee
- RPAC Committee
- Strategic Planning Committee

Section 3. Organization

All committees and other groups shall be of such size and shall have such duties, functions, and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these Bylaws.

Section 4. President

The President shall be an ex officio member of all committees and other groups and shall be notified of their meetings.

Section 5. Notice of Meetings

Notice shall be given to every member entitled to participate in the meeting.

ARTICLE XV - FISCAL AND ELECTIVE YEAR

Section 1.

The fiscal year of the Association shall begin on October 1st.

Section 2.

The term of office of any officer or director of the Association shall commence September 1st.

ARTICLE XVI - RULES OF ORDER

Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Association, its Board of Directors, and its committees in all instances wherein the provisions do not conflict with these Bylaws.

ARTICLE XVII - AMENDMENTS

Section 1. Manner of Amendment

These Bylaws may be amended at any meeting of the Board of Directors by the affirmative vote of two-thirds (2/3) of the votes cast, provided that a quorum is present and provided further that written notice, containing a copy of the proposed amendments shall first have been sent to each member of the association giving them no more than a fifteen (15) day mandatory comment period to file their remarks for consideration.

Section 2. Notice of Amendment

Written notice of consideration of an amendment and the substance of such amendment shall be noticed to every Association member at least fifteen (15) days prior to the date of the vote as a comment period on said amendment.

Section 3. Exceptions

- (A) Article IX may be amended only by a two-thirds (2/3) majority vote of a quorum of all members authorized to vote.
- (B) The Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by the NATIONAL ASSOCIATION OF REALTORS[®] policy.
- (C) Amendments to these Bylaws affecting the admission or qualification of REALTOR[®] Members and Institute Affiliate Members, the use of the term REALTOR[®] and REALTORS[®], or any alteration in the territorial jurisdiction of the Association shall become effective upon approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS[®].

ARTICLE XVIII - DISSOLUTION AND MERGER

Section 1.

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

Section 2.

Provided that the Association shall be the Surviving Corporation, Members shall not be entitled to vote on Mergers or consolidations of the Association. The Board of Directors of the Association, by an affirmative vote of a majority of the directors in office, at a meeting of the Board of Directors, or by written consent signed by all the directors in office, shall vote on a merger or consolidation in which the Association shall be the Surviving Corporation. In the event the Association shall not be the Surviving Corporation of a merger or consolidation, the Members shall be entitled to vote on such merger or consolidation. (refer back to Article XIII, Section 4)

ARTICLE XIX - MULTIPLE LISTING SERVICE

Section 1. Authority

The Association shall participate in a multiple listing service.

Section 2. Purpose

A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, 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. Participation

Any REALTOR[®] of this or any other Board/Association 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 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 "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 use is 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.

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. This 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 nondiscriminatory manner to all participants and potential participants.

Section 4. Supervision

The activities of the multiple listing service shall be operated under the supervision of Midwest Real Estate Data (MRED) in accordance with the MRED Bylaws and its Rules and Regulations.

Section 5. Access to Comparable and Statistical Information

Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the multiple listing service, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the multiple listing service including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of members and individuals affiliated with members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any other manner to any unauthorized individual, office, or firm except as otherwise specified in the multiple listing service Rules and Regulations. Members who receive such information as an Association service are subject to the applicable provisions of the multiple listing service Rules and Regulations whether they participate in the multiple listing service or not.

ARTICLE XX - CONFLICT OF INTEREST

Section 1. Contracts, Sales and Purchases:

- (A) Directors, Officers, Committee Members or Employees of the Association shall not be financially interested in any contract made by them in their official capacity on behalf of the Association, nor shall they be purchasers at any sale or vendors at any purchase made by them in their official capacity on behalf of the Association, unless the full nature and extent of such financial interest and/or status as prospective purchaser or vendor has first been disclosed in writing to the Association.
- (B) The Association shall authorize, approve or ratify a contract in good faith by a vote of its members or Directors sufficient for that purpose without counting the vote or votes of the Directors, Officers, Committee Members or Employees who has disclosed said interest and who shall be ineligible to vote thereon.

Section 2. Confidential Information.

- (A) Directors, Officers, Committee Members or Employees of the Association shall not disclose to any other person, confidential information acquired by them in the course of their official duties, or use any such information for the purpose of pecuniary gain in any manner which is contrary to the best interests of the Association.
- (B) This section shall not apply to any disclosure made to any law enforcement agency, nor to any disclosure made pursuant to subpoena or other similar legal process.