

**Bylaws of the  
Northern Illinois Commercial Association of REALTORS, Incorporated**  
June 2007

ARTICLE I--NAME

Section 1. Name. The name of this organization shall be the Northern Illinois Commercial Association of REALTORS, Incorporated, hereinafter referred to as the "Association."

Section 2. REALTORS. Inclusion and retention of the Registered Collective Membership Mark 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.

ARTICLE II--OBJECTIVES

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 interests of real property ownership.

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

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

Section 7. The Associations' operations and programs shall be guided by a Strategic Plan as may be adopted from time to time by the Board of Directors.

ARTICLE III--JURISDICTION

Section 1. The territorial jurisdiction of the Association as a member of the National Association of REALTORS is: Kankakee, Grundy, Will, Kendall, Cook, DuPage, Kane, DeKalb, Ogle, Lake, McHenry, Boone, and Winnebago Counties.

Section 2. Territorial jurisdiction is defined to mean:

- (a) 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 rights of the National Association of REALTORS in the terms.

#### ARTICLE IV--MEMBERSHIP

Section 1. There shall be six 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 compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office located 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 a Board/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. (Amended 1/01)*
  - (2) Individuals who are engaged in the real estate profession other than sole proprietors, partners, or 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 Members. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchises 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 the rights, privileges, and obligations of REALTOR membership (including compliance with the Code of Ethics) except: obligations related to Association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR in connection with their franchise organization's name; and the right to hold elective office in the local Association, state Association, and the National Association.
  - (4) 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. One of the principals in a real estate firm must be a Designated

REALTOR Member of the Association in order for licenses affiliated with the firm to select the Association 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 a 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.

- (b) Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation in an Institute, Society, or Council affiliated with the National Association of REALTORS that addresses a specialty area rather than residential brokerage of 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 individual firms, who, while not engaged in the real estate profession as defined in paragraph (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.
- (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) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.
- (f) Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutes 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 and are not associated with an established real estate office.
- (g) Appraisal Member. Appraisal Member shall be an individual or companies solely involved in the appraisal of real estate and real estate interests.

## ARTICLE V--QUALIFICATION AND ELECTION

### Section 1. Application.

- (a) An application for membership shall be made in such a 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 himself with the Code of Ethics of the National Association of REALTORS, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a REALTOR® Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Association of REALTORS, including the obligation to arbitrate controversies arising out of real estate transactions as specified in Article 17 of the Code of Ethics, and as further specified by 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 Association, through its Membership Committee or otherwise, may invite and receive information and comment about a applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association 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, liable, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

## Section 2. Qualifications.

(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 Membership Committee that he is actively engaged in the real estate profession, and 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, has a place of business within the state or a state contiguous thereto (unless a Secondary Member), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, 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 pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. NOTE 2: Article IV Section 2, of the NATIONAL ASSOCIATION OF REALTORS Bylaws prohibits Member Association from knowingly granting REALTOR or REALTOR\_ASSOCIATE membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board of REALTORS for violation of the Code of Ethics. (Adopted 1/01)

(b) Individuals who are actively engaged in the real estate profession other than 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 independent contractor with a Designated REALTOR Member of the Board of a Designated REALTOR Member of another Board (if a Secondary Member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws

and Rules and Regulations of the Board, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the national Association of REALTORS, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Membership Committee and shall agree in writing that if elected to membership he will abide by such constitution, Bylaws, Rule and Regulations, and Code of Ethics.

(c) The Board/Association will also consider the following in determining an applicants qualifications for REALTOR® membership:

1. All 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 MLS
6. Any misuse of the term REALTOR or REALTORS in the name of the applicant's firm. (Amended 06/2006)

"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. Associations may reconsider the membership status of such individuals when all pending 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 association may condition membership on the applicant's certification that he/she 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. (Amended 1/01)

Section 3. Election. The procedures 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 Association dues and any application fee. Provisional members shall be considered REALTORS and subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. 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 180 days from the Association's receipt of that individuals application, membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues shall be computed from the date of application and shall be non-refundable unless the Associations 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 pro-rated 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 provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements, as he 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 Secretary. 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, it may specify that termination shall become effective upon entry in a suit by the Association for a declaratory judgement by a court of competent jurisdiction of a final judgement declaring that the rejection violates no rights of the applicant.

#### 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 hours and thirty minutes of instruction 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 year or less.

Failure to satisfy this requirement within one year 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.

Note: Orientation programs must meet the learning objectives and minimum criteria established form time to time by the NATIONAL ASSOCIATION OF REALTORS®. (Adopted 1/01)

#### Section 5. Continuous Member Code of Ethics Training:

Effective January 1, 2001, through December 31, 2004, and for successive four periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the 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 four-year cycle shall not be required to complete additional ethics training until a new four-year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR membership shall be suspended until such time as the training is completed. (Adopted 1/01)

Members suspended for failing to meet the requirement for the first four (4)-year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05)

#### Section 6.

(a) A REALTOR who changes the conditions under which he holds membership shall be required to provide written notification to the Board within thirty (30) days. A REALTOR (non-principal) who becomes principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR principals may be required to satisfy any previous 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 they have transferred within thirty (30) days of the date they advised the Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR who is transferring his license from one firm comprised of REALTOR principals to another firm comprised of REALTOR principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 60 days of the date the board is advised of disaffiliation with the current firm, membership 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.

## 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 Association 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 not inconsistent 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 Association, such Members are encouraged to abide by the principals established in the Code of Ethics of the National Association of REALTORS and conduct their business and professional practices accordingly. Further, Members other than REALTORS may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR of REALTORS, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, 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 Board, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the National Association of REALTORS as set forth in the *Code of Ethics and Arbitration Manual* of the National Association.

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

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel;

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

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

If a REALTOR Member other than a sole proprietor in a firm, partner in a partnership, or an officer in a corporation is suspended or expelled, the use of the terms REALTOR and 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. Institute Affiliate Members shall have the same right to vote as REALTOR Members and may serve on the Board of Directors, but may not serve as officers of the Association.

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, REALTOR-ASSOCIATE, 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 9. Affiliate Members. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors. Affiliate Members shall have the same right to vote as REALTOR Members and may serve on the Board of Directors; but may not serve as officers of the Association.

Section 10. Public Service Members. Public Service Members shall have the rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 11. Honorary Members. Honorary Membership shall confer only the right to attend meetings and participate in discussions.

Section 12. Student Members. Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors

Section 13. Appraisal Members. Appraisal Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors

Section 14 Certification by REALTOR. "Designated" REALTOR Members of the Association shall certify to the Association during the month of January on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR'(s) office(s) and shall designate a primary Board/ 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 not been paid to another Board/Association based on said non-Member licensees, the Designated REALTOR shall identify the Board/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 Association 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.

Section 16. Legal Liability training. Within two (2) years of the date of election to membership, and every two (2) years thereafter, each REALTOR® Member of the Board shall be required to demonstrate that they have completed a course of instruction on anti-trust laws, agency laws, civil rights laws or the REALTORS® Code of Ethics, its interpretation and meaning and/or the procedures related to its enforcement.

This requirement will be considered satisfied upon presentation of evidence that the Member has completed an educational program conducted by another Member Board, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS® or any of its affiliated institutes, societies, or councils, or any other recognized education institution which, in the opinion of the Board of Directors, is an adequate substitute for the training programs conducted by the Board.

Failure to satisfy this requirement biennially will result in membership being suspended from the date it otherwise would be renewed until such time that the member provides evidence of completion of the aforementioned educational requirements.

NOTE: Any education requirement must comply with Interpretation No. 27 of Article I, Section 2, Bylaws, NATIONAL ASSOCIATION OF REALTORS®

Section 17. Harassment. Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of the Association employee after a hearing in

accordance with the established procedures of the Association. Disciplinary action may also consist of any sanction authorized in the association's Code of Ethics and Arbitration Manual. 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 investigatory team comprised of the President and the Vice President and one Member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. If the complaint name the President or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another Member of the Board of Directors selected by the highest-ranking officer not named in the complaint.

## ARTICLE VII -- PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of the Association and of Association Members relating to 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 of this association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, 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 arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of this Association as from time to time amended.

Section 3. The Association and Association members are also responsible for the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws, *as long as such agreement shall remain in force.*

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

Section 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS and to the Rules and Regulations prescribed by its Board of Directors. The 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 Director after a hearing as provided for in the association's Code of Ethics and Arbitration Manual. (Amended 06/2006.)

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

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

(a) In the case of a REALTOR member who is a principle of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR and REALTORS shall be limited to office locations in which a principle, partner, corporate officer, or branch manager of the firm, partnership, or corporation holds REALTOR membership. If a firm, 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. (Adopted 1/01)

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 Association shall be a Member of the National Association of REALTORS and the Illinois Association of REALTORS. By reason of the Association's Membership, each REALTOR Member of the Member 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 Members eligible to vote, decision is made to withdraw, in which case the State and National Associations shall be notified as least one month in advance of the date designated for the termination of such membership.

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

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

#### ARTICLE X--DUES AND ASSESSMENTS

Section 1. 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.

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

(a) REALTOR Members. The annual dues of each Designated REALTOR Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors, times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR Member, and (2) are not REALTOR Members of any Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR Member, non-Member licensees as defined in Section 2(a)(1) and (2) of this Article 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 in the state or a state contiguous thereto, provided the Designated REALTOR notifies the Association 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 offices of the firm located within the jurisdiction of this Association. (Adopted 1/01)

(1) For the purpose of this Section, a 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, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the National Association of REALTORS. An individual shall be deemed to be licensed with a REALTOR if the license of the individual is held by the REALTOR, or by any broker who is licensed with a REALTOR, or by an 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, or corporate officer 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® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held

REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

(b) The annual dues of REALTOR Member other than the Designated REALTOR shall be in such amount as established annually by the Board of Directors.

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

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

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

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

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

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

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

(i) Appraisal Members. The annual dues of each Association Member shall be in such amount as established annually by the Board of Directors.

Section 3. Dues. Dues for all Members shall be payable annually in advance on the first day of January. Dues shall be computed from the date of application and granting of provisional membership, and shall be prorated for the remainder of the year.

(a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR membership is dropped for nonpayment of Association 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. If dues, fees, fines, or other assessments including amounts owed to the Association are not paid within one (1) month after the due date, 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 nonpayment Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend to expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Association of Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, or fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulation of the Association or any of its services, departments, divisions, or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposit. 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 day-to-day finances of the Association. Capital expenditures in excess of ten percent (10%) of annual budgeted income may not be made unless authorized by a majority vote of the Board of Directors.

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 Association shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 8. The dues of REALTOR Members who are REALTOR Emeriti (as recognized by the National Association), Past Presidents of the National Association, or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

## ARTICLE XI -- OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Association shall be: a President, a President Elect, a Secretary, a Treasurer, and the Immediate Past President. The Secretary and Treasurer may be the same person. They shall be elected for terms of one year, but may be elected to office for no more than two consecutive terms.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Secretary to keep the minutes of the Association and to carry on all necessary correspondence with the National Association of REALTORS and the Illinois Association of REALTORS.

Section 2.1 Duties Continued. The President shall serve as the representative of this Association to the State and National Associations, however, the President may appoint the President-Elect, or, as needed other officer(s) or director(s).

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the elected officers and nine (9) REALTOR Members of the Association. Directors shall be elected to serve for terms of three (3) years. In addition to these nine (9) REALTOR Members, the President, with the confirmation-of the Board of Directors, shall appoint to a one (1) year term on the Board of Directors one (1) Affiliate Member or The President shall also appoint one (1) of the duly elected officers or Directors of the local chapter or affiliate of the Society of Industrial and Office REALTORS, the Commercial Investment Real Estate Management, and the REALTORS Land Institute, CRE and IREM provided they are otherwise duly elected to membership in the Association.

Section 4. Nomination and Election of Officers and Directors.

(a) No Later than June 15<sup>th</sup> a Nominating Committee of at least five (5) Association Members who are eligible to vote, shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall not nominate any Member of the Nominating Committee to any office or as a Director. The Nominating Committee shall select one (1) candidate for each office and one (1) candidate for each place to be filled on the Board of Directors. No more than two persons from related companies may serve on the Board of Directors at any one time. Member companies shall be deemed "related" if they are parent and subsidiary, affiliates (i.e., they share common ownership), r. The Board of Directors shall, in its sole discretions, determine whether companies are related. The nomination process should be consistent with the Association policy for selection of qualified candidates. The report of the Nominating Committee shall be mailed to each Member eligible to vote no later than September 1st. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least fifteen percent (15%) of the REALTOR Members eligible to vote. The petition shall be filled with the Secretary at least five (5) weeks before the election. The Secretary shall send notice of such additional nominations to all Members eligible to vote before the election.

(b) The election of Officers and Directors shall take place at the annual meeting or by mail as called for in Article XVI, Section 4. Election shall be by ballot and either be cast in person or be certified to by the voter if the election is conducted by mail ballot. The ballot should contain the names of all candidates and the offices for which they are nominated.

(c) The President, with the approval of the Board of Directors, shall appoint an Election Committee of at least three (3) Association Members eligible to vote and who are not nominated to office or to the Board of Directors, to conduct the election. In case of a tie vote, the issue shall be determined by lot.

Section 5. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by recommendation of the Executive Committee and confirmed by a simple majority vote of the Board of Directors until the next annual election.

Section 6. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third (1/3) of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and

shall specifically set forth the reasons the individual is deemed to be disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days 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 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 (3/4) vote of Members present and voting shall be required for removal from office.

## ARTICLE XII -- MEETINGS

Section 1. Annual Meetings. An annual meeting of the Association shall be held once each year, the date, place and hour to be designated by the Board of Directors.

Section 2. Meeting of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from (3) regular meetings without an excuse deemed valid by the Board of Directors shall be deemed as resignation.

Section 3. Other meetings. Meetings of the Members may be held at other times as the President or the Board of Director may determine, or upon the written request of at least ten percent (10%) of the Members eligible to vote.

Section 4. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the membership meeting at least on (1) week preceding all such meetings. If a special membership meeting is called, it shall be accompanied by a statement of purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business at a membership meeting shall consist of five percent (5%) of the Members eligible to vote. The Board of Directors quorum shall be fifty-one percent (51%) of the Board of Directors.

## ARTICLE XIII--COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the REALTOR Members, subject to confirmation by the Board of Directors, the following standing committees:

Professional Standards	Public Relations	Education
Membership	Program	Finance
Grievance	Governmental Affairs	RPAC
Bylaws	Executive	Nominating

Section 1.1 Executive Committee. The Executive Committee shall be made up of the four (4) elected officers and the immediate Past President of the Association.

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

Section 3. Organization. All committees shall be of such size and shall have duties, functions, and powers as assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

Section 4. President and President Elect. The President and President Elect shall be ex-officio Members of all committees except the Nominating Committee, and shall be notified of their meetings.

#### ARTICLE XIV--FISCAL AND ELECTIVE YEAR

Section 1. The fiscal year of the Association shall be January 1 to December 31.

Section 2. The elective year of the Association shall be October 1 to September 31 starting in the 2005.

#### ARTICLE XV-- RULES OF ORDER

Section 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Association, its Board of Director, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

#### ARTICLE XVI -- 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 by a 2/3 vote at any regular or special meeting of the Board of Directors may approve amendments to the Bylaws which are mandated by National Association of REALTORS.

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed to every Member eligible to vote at least one (1) week prior to the meeting.

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

Section 4.

#### ARTICLE XVII -- DISSOLUTION

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