

Bylaws of the Illinois REALTORS®



ARTICLE I – NAME

SECTION 1. NAME. The name of the organization is Illinois REALTORS®, hereinafter referred to as the “Association,” incorporated under the laws of the State of Illinois as a not-for-profit corporation.

ARTICLE II – OBJECTS

SECTION 1. OBJECTS. The objects of the Association are:

A. To establish and maintain high standards of ethical conduct among its members and those affiliated with them by requiring compliance with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

B. To promote and foster educational programs that increase the professional competence of those participating that meet or exceed the requirements of the Illinois Real Estate License Act, 225 ILCS 454, as amended from time to time.

C. To assist in the development and organization of local boards or associations of REALTORS® and to encourage a mutually beneficial affiliation and exchange with the Association and the NATIONAL ASSOCIATION OF REALTORS®.

D. To further the interest of real property ownership and to provide a medium for real estate owners and those engaged in the real estate business for the advancement of their mutual interests.

E. To recommend and promote legislation and legislative activity which will safeguard and advance the interest of real property ownership.

F. To designate for the benefit of the public those individuals authorized to use the term REALTOR® and to promote the public understanding of this designation.

G. To assist in the enforcement and improvement of Illinois statutes for the licensure of real estate brokers which will act to preserve professional and ethical standards in real estate transactions.

H. To subscribe and adhere to the Core Standards as established by the NATIONAL ASSOCIATION OF REALTORS®.

I. To support candidates seeking local and state elected office that support the REALTOR® values of free enterprise, private property rights and property ownership.

ARTICLE III – MEMBERSHIP

SECTION 1. CLASSES OF MEMBERS. The membership of the Association shall consist of the following classes:

- (1) Member Boards;
- (2) REALTOR® Members;
- (3) Franchise REALTOR® Membership;
- (4) Institute Affiliate Members;

- (5) Affiliate Members;
- (6) Statewide Affiliate Members;
- (7) Honorary Members;
- (8) Life Members; and
- (9) Designated REALTOR® Members.

SECTION 2. Member Boards. A Member Board shall be any local Board of REALTORS® located within the State of Illinois or any state contiguous thereto that includes partial jurisdiction within the State of Illinois, all the REALTOR® members of which hold primary membership in the local Board, hold membership in this Association and membership in the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 3. REALTOR® Members. REALTOR® Members, whether primary or secondary shall be:

A. Individuals who, as sole proprietors, partners, corporate officers, or office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Illinois or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state of Illinois 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;

B. 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 association 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;

C. Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® member and meet the qualifications.

SECTION 4. Franchise REALTOR® Membership. 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 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 National Association.

SECTION 5. Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may instead of Institute Affiliate membership elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

SECTION 6. Affiliate Members. Individuals certified as holding Affiliate membership in a Member Board may be Members of this Association.

SECTION 7. Statewide Affiliate Members. A statewide association, society, council, university, governmental or quasi-governmental body or any officer or staff member of any such group may be a member of this Association.

SECTION 8. Honorary Members.

(1) Any person the Board of Directors deems to so honor shall be eligible for membership in this Association, provided the following procedure is followed:

(a) The person is nominated by a resolution of the Executive Committee.

(b) The person's nomination is accepted by a majority of the Board of Directors present and voting at its Annual Meeting.

(2) Any REALTOR® who has been designated as REALTOR® Emeritus by the NATIONAL ASSOCIATION OF REALTORS® and continues to meet the additional requirements as established by the Board of Directors of the Illinois REALTORS® shall be eligible for membership in this Association.

SECTION 9. Life Members. Any person who has served as President of the NATIONAL ASSOCIATION OF REALTORS®, has been the recipient of the NATIONAL ASSOCIATION OF REALTORS® Distinguished Service Award, or has served as President of the Illinois REALTORS® shall be eligible to be a Life Member of this Association.

SECTION 10. Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of association dues as established in these Bylaws. The "designated REALTOR®" must be a sole proprietor, partner, corporate officer or office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® membership established in these Bylaws.

SECTION 11. Application Fee. The Board of Directors may adopt an application fee for REALTOR® membership in a reasonable amount, not exceeding three times the amount of 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 12. OBLIGATION OF REALTOR® MEMBERS. It shall be the duty and responsibility of every REALTOR® member of this Association to abide by the Bylaws and the rules and regulations of this 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 the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended.

SECTION 13. DISCIPLINE.

A. Any REALTOR® member of the Association may be disciplined by the Board of Directors for violations of these Bylaws, the Code of Ethics or other duties of membership after a hearing as described in the *Code of Ethics*

and Arbitration Manual of the association, 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.

B. Any REALTOR® member of the Association may have their membership suspended or be expelled by the affirmative vote of two-thirds (2/3) of the Directors present and voting at a meeting of the Directors, after notice and a hearing, or may be otherwise disciplined for violations of the Association's Member & Volunteer Conduct Policies, as amended and modified from time to time, as provided for therein.

C. If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation and has their membership suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® on connection with its business during the period of suspension, or until readmission to the 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 the readmission of the disciplined member or until the connection of the disciplined member with the firm, partnership or corporation is severed, or unless the REALTOR® member (non-principal) elects to sever his or her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the association, whichever may apply. If a REALTOR® member who is other than a principal in a firm, partnership or corporation has their membership suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.

Article IV – BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The affairs of the Association shall be managed by its Board of Directors which is empowered to perform all the functions of the Association and shall have the power to vote any stock held by the Association in any separate corporation either at a meeting of the Board or by the vote of the Board's designated proxy. The Board of Directors shall administer the affairs of the Association in conformance with the policies adopted by the Association from time to time and as set forth in these Bylaws.

SECTION 2. SPECIFIC POWERS. Although the Board of Directors may receive recommendations from committees or other groups, the following powers may only be exercised by the Board of Directors:

- A.** Amend these Bylaws;
- B.** Election of Association Officers and Directors;
- C.** Adopt and amend the Association's Statement of Policy;
- D.** Annually approve the Association's budget;
- E.** Change dues;
- F.** Adopt and amend a strategic plan for the Association; and
- G.** Amend the Association's Statement of Policy on Committees and Other Groups.

SECTION 3. COMPOSITION. The Board of Directors shall consist of 28 directors as follows:

- A. The President, President-Elect, Treasurer and Immediate Past President of the Association; and
- B. 24 directors elected by the Board of Directors. At least four of the elected directors shall be past presidents of the Association.
- C. Local association executives are not eligible to be elected to the Board of Directors.

SECTION 4. TERM. Those directors elected by the Board of Directors shall serve three-year staggered terms.

SECTION 5. QUALIFICATIONS FOR PAST PRESIDENT DIRECTORS. Those past presidents elected to the Board of Directors must have an active Illinois real estate license, be active in the business of real estate in Illinois and serve on at least one Association committee, working group or the board of an affiliated entity, other than the Advisory Council.

SECTION 6. MEETINGS. An Annual Meeting of the Board of Directors shall be held each year at the call of the President. Other meetings of the Board of Directors may be held at the call of the President, or the Treasurer, or when the President is so requested in writing by five or more members of the Board of Directors. In all meetings of the Board of Directors, the President and Corporate Secretary of the Association shall be the presiding and recording officers respectively of the meeting. All Board meetings shall be open meetings except when a majority of the directors present vote to go into executive session. The reason for the executive session shall be stated in the motion and referenced in the minutes.

SECTION 7. NOTICE. Notice of any special meetings of the Board of Directors shall be given at least 21 days prior thereto to each Director either by mail at the last known address shown by the Association or by electronic delivery to the last known email address shown by the Association.

SECTION 8. QUORUM. A quorum of the Board of Directors shall be 15 directors.

SECTION 9. ALTERNATIVE MEETINGS. Any director or committee member may participate in and act at any meeting of the Board or a committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meetings shall constitute attendance just as if the person were present in person at the meeting.

SECTION 10. INFORMAL ACTION. The Board or a committee may take action without a meeting if a consent in writing, setting forth the action taken, is signed or electronically agreed to by all of the directors or committee members entitled to vote on the matter. Consents may be evidenced by separate counterparts setting forth the action to be taken and containing the signatures of one or more individuals entitled to vote thereon.

SECTION 11. ELECTRONIC TRANSACTION OF BUSINESS. To the fullest extent permitted by law, the Board of Directors and all committees and other groups may conduct business by electronic means.

SECTION 12. VACANCIES. A vacancy in an elected director's position may be filled by the Board of Directors for the balance of the remaining term of that director, provided however that a vacancy which is the result of a vacancy in any Officer position, shall remain vacant unless and until the Board of Directors fills the vacant Officer position.

ARTICLE V – ELECTED OFFICERS

SECTION 1. ELECTED OFFICERS.

A. The elected Officers of the Association shall be a President, President-Elect and Treasurer. All Officers shall serve for one year or until their successors are elected. The President shall not be eligible to serve a second successive term, but all other elected Officers may serve two successive terms. In the absence of unforeseen events, the President-Elect shall succeed to the Presidency and the Treasurer shall succeed to President-Elect, subject to election thereto. Should a vacancy in any Officer position be created and said vacancy go unfilled by the Board of Directors, there shall be a presumption that the vacancy will move to each successive office, subject to the results of the elections therefor, until said vacancy is either filled pursuant to Section 4 of this Article or is cycled out of the elected Officers' positions.

B. All Officers empowered to handle Association funds shall be bound by a surety company qualified to do business in the State of Illinois, the cost of said bonding to be paid by the Association.

SECTION 2. DUTIES. The duties of the elected Officers shall be such as their titles by general usage would indicate, and such as may be assigned to them respectively, by the Board of Directors from time to time, and such as are required by law. In addition, the President-Elect shall maintain liaison with the Member Board Presidents.

SECTION 3. QUALIFICATIONS. All elected Officers and Directors must be REALTOR® Members of the Association or of a Member Board in good standing with the Association. An elected Officer that ceases to be a REALTOR® member shall also cease to be an Officer of the Association and a vacancy shall result.

SECTION 4. VACANCIES. A vacancy in any elective office may be filled by the Board of Directors until the next regular election of Officers. In the event a vacancy remains unfilled, the remaining Officers shall perform such duties as necessary that would otherwise have been performed by the person holding the vacant Officer position.

SECTION 5. REMOVAL. An Officer may be removed from office in the following circumstances:

A. By a two-thirds (2/3) vote of all Directors, whenever in their judgment the Directors determine that such removal is in the best interests of the Association.

B. As the proper sanction and result of violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual.

C. As the proper sanction and result of violations of the Association's Member & Volunteer Conduct Policies, as amended and modified from time to time.

ARTICLE VI – NON-ELECTED OFFICERS

SECTION 1. NON-ELECTED OFFICERS. The Board of Directors shall employ an individual as Chief Executive Officer who shall be Corporate Secretary of the Association, subject to the direction of the President. The Chief Executive Officer shall have such duties and responsibilities as the title by its general usage indicates and who shall perform such other duties as may be assigned or delegated by the Board of Directors. The Chief Executive Officer shall provide a surety bond in such amount as the Board of Directors may determine, the cost to be paid by the Association.

SECTION 2. ASSOCIATION STAFF. The Board of Directors may authorize the Chief Executive Officer to employ such other persons and assign suitable titles as may be necessary to conduct the activities of the Association within the financial limits as prescribed by the budget of the Association. Staff members handling Association funds shall be bonded by a surety company qualified to do business in Illinois, the cost of said bonding to be borne by the Association.

ARTICLE VII – NATIONAL DIRECTORS AND OFFICERS

SECTION 1. NOMINATIONS. The Executive Committee shall recommend candidates to the Board of Directors for at-large National Directors from Illinois, for Regional Vice President, First Vice President and Treasurer of the NATIONAL ASSOCIATION OF REALTORS®. Nominations will be presented to the Board of Directors for approval to meet deadlines for submission as established by the NATIONAL ASSOCIATION OF REALTORS®. Nothing herein shall prevent Members from submitting possible nominations to the Executive Committee for consideration as an at-large National Director from Illinois.

ARTICLE VIII – ELECTIONS

SECTION 1. NOMINATION OF OFFICERS AND DIRECTORS. The Nominating Committee shall prepare a slate of qualified and recommended candidates for each elective office except the four elected Past President positions on the Board of Directors. The individuals to those four positions shall be nominated by the Advisory Council. The recommendations of the Nominating Committee and the Advisory Council shall be mailed or provided through electronic means to all Member Boards and all members of the Board of Directors on or before 60 days prior to the Annual Meeting of the Board of Directors. Members of the Nominating Committee and Association Executives shall not be eligible to be nominated. However, a Past President nominated for recommendation to the Board of Directors by the Advisory Council may be a member of the Nominating Committee. The Nominating Committee's and Advisory Council's recommended candidates shall be nominated for election by the chair of the Nominating Committee at the Annual Meeting of the Board of Directors.

SECTION 2. OTHER RECOMMENDATIONS. Any Member Board or individual member of a Member Board may submit recommendations to the Screening and Candidate Audit Working Group for recommendation to any office in the Association at or prior to the final meeting of the Nominating Committee prior to the Annual Meeting. The Nominating Committee shall hold its final meeting at least 60 days preceding the Annual Meeting of the Board of Directors.

SECTION 3. CANDIDATES FOR OFFICE OF TREASURER BY PETITION.

A. Any individual that makes an application and does not receive the recommendation for the office of Treasurer by the Nominating Committee may submit a petition on a form authorized by Illinois REALTORS® to the Association's Chief Executive Officer for referral to the Screening and Candidate Audit Working Group at least 30 days prior to the election. The petition must be signed by at least 50 members from at least ten local associations, of which no more than five signatures can be from members belonging to the same local association in which the individual seeking election holds primary membership.

B. The Screening and Candidate Audit Working Group shall review the petition to determine if the individual meets the qualifications for the office of Treasurer. If the Screening and Candidate Audit Working Group determines that the individual meets the qualifications, the individual shall be announced as a candidate and the petition shall be included in the materials submitted to the Board of Directors for the election. If the Screening and Candidate Audit Working Group determines that the individual does not meet the qualifications, the petition and the report of the Screening and Candidate Audit Working Group finding that the individual is not qualified shall be submitted

to the Board of Directors for consideration prior to the election.

SECTION 4. ELECTIONS. The election of officers and directors of the Association shall be held at the Annual Meeting of the Board of Directors. Any recommendations of the Nominating Committee shall be voted on at this time.

SECTION 5. BEGINNING OF TERM. Terms for directors will begin immediately following their election.

ARTICLE IX – COMMITTEES

SECTION 1. APPOINTMENTS. The Executive Committee shall appoint the members of all committees wherever the appointments are not otherwise specified in the resolution creating the committee. The President shall be an ex-officio member of all committees except the Nominating Committee, Professional Standards Committee and as otherwise specified in the resolution creating the committee, and shall be notified of all committee meetings. Full time paid Association Executives of Member Boards, in good standing, who have been active in the Association and are familiar with its administrative organization and current policies may be appointed by the Executive Committee to serve on committees of the Association.

SECTION 2. DUTIES. Committees shall have such duties as their title indicates and as the Board of Directors may assign. All actions of committees shall be subject to the approval of the Board of Directors, except the ethics and arbitration decisions of the Professional Standards Committee or those actions which may be taken by a committee as provided for in the Statement of Policy on Committees and Other Groups. All committees will follow the policy and procedures as established for that committee.

SECTION 3. MEETINGS. All committees shall meet at the call of their chair unless specially convened at the direction of the President of the Association.

SECTION 4. QUORUM. A quorum for any committee shall be a majority of its membership.

SECTION 5. REPORTS. All Standing Committees shall report, except as otherwise indicated in this Section or the Statement of Policy on Committees and Other Groups, to the Board of Directors. The Nominating Committee reports only to the Board of Directors its recommendations for Association Officers and Directors and for recommendations for National Association Officers. The Professional Standards Committee and the Grievance Committee will report as needed to the Board of Directors.

SECTION 6. STANDING COMMITTEES. The Standing Committees of the Association are:

- A. Association Executives Committee
- B. Audit Committee
- C. Executive Committee
- D. Finance Committee
- E. Grievance Committee
- F. Nominating Committee
- G. Professional Standards Committee
- H. REALTORS® Political Action Committee
- I. Screening and Candidate Audit Working Group
- J. Strategic Planning Committee

SECTION 7. SPECIAL GROUPS. The Executive Committee may from time to time create special committees, forums, task forces, subgroups or subcommittees to perform special duties. The Executive Committee shall inform the Board of Directors of such actions.

SECTION 8. COMMITTEE POLICIES. The composition and organization of certain committees and other groups are contained in the Statement of Policy on Committees and Other Groups approved by the Board of Directors.

ARTICLE X – OTHER GROUPS

SECTION 1. ADVISORY COUNCIL. The Advisory Council shall be composed of all Past Presidents of the Illinois REALTORS®. The current President, President-Elect, Treasurer and Chief Executive Officer of the Association shall be guests of the Advisory Council. The Advisory Council shall report to the Board of Directors.

ARTICLE XI – DUES

SECTION 1. REALTOR® MEMBER DUES. Annual dues of REALTOR® members other than the designated REALTOR® shall be as established by the Board of Directors. The Finance Committee shall recommend annually to the Board of Directors the suggested dues amount.

SECTION 2. DESIGNATED REALTOR® MEMBERS DUES.

A. 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 licensees 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 (1) and (2) of this paragraph 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 other offices of the firm located within the jurisdiction of this association. 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 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 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 in Section 2(B) hereof) provided that the licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer or office manager of the entity.

B. Subject to applicable state law, a REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting 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, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for the purposes of this section and shall not be included in calculating the annual dues of the designated REALTOR®. The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting,

managing, counseling or appraising real property) other than referrals, and dues for the current fiscal year shall be payable. 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.

SECTION 3. ANNUAL DUES OF 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®.

SECTION 4. SUBSCRIPTIONS. Three dollars (\$3.00) of the amount of the annual dues as determined by the Board of Directors shall be for an annual subscription to *Illinois REALTOR®* magazine.

SECTION 5. PAYMENT OF DUES. All dues of the Association shall be payable, in advance, of January 1 of each year. Association dues shall be paid within thirty (30) days after receipt of those dues by the Member Board. Failure of any Member Board to remit dues by February 15 or the applicable payment date for new members or increased dues for Designated REALTORS® shall result in the classification of the Member Board as a member not in good standing until such time as the Member Board remits its proper dues to the Association or the Chief Executive Officer reinstates the Member Board to good standing. Failure by a Member Board to be in good standing will result in a suspension of the Board's voting rights at meetings of the Board of Directors.

SECTION 6. DELINQUENCY. Any Member Board, REALTOR®, Institute Affiliate Member or Affiliate Member of the Association shall be deemed delinquent in payment of dues after nonpayment on the date designated for such payment. The Board of Directors is authorized to take such action as it deems proper for collection of said dues after three months' delinquency. Such action may include a recommendation to the NATIONAL ASSOCIATION OF REALTORS® that the charter of the delinquent Member Board be revoked or any other recommendations or punitive measures deemed necessary.

SECTION 7. EXCEPTION. Notwithstanding anything in this Article to the contrary, Member Boards shall not be required to pay annual allocations for any of the membership who are Honorary Members or Life Members as specified in Article III, Section 2, except that portion of the annual membership allocations which is computed on the basis of the Designated REALTOR® dues formula provided for in Section 1 of this Article.

SECTION 8. LEGAL ACTION FUND ASSESSMENT. Annual dues shall include a separate identified amount, not to exceed \$10 per year, for the creation and maintenance of a designated Legal Action Fund. This amount shall be determined, assessed and collected in the same manner as provided for in this Article for all other dues. The annual amount identified shall be sufficient, when collected, to provide a designated Legal Action Fund of at least \$150,000. Any monies received by the Association as reimbursement for attorney fees expended on Legal Action Fund cases shall be allocated to the designated Legal Action Fund.

SECTION 9. RVOICE ASSESSMENT. Annual dues shall include a separate identified amount designated as the RVOICE assessment. The annual assessment provided for in this section shall be assessed and collected in the same manner as provided for in this Article for all other dues. The assessment shall be reviewed annually by the Finance Committee and the Finance Committee shall make a recommendation to the Board of Directors as to the amount of the RVOICE assessment. The RVOICE assessment shall be allocated within the Illinois REALTORS® budget and approved by the Board of Directors. The dues collected for the RVOICE assessment shall be deposited and utilized for the purposes of the funds into which the dues are deposited. Those dues in excess of annual expenditures will be invested in accordance with the Illinois REALTORS® Investment Policy as recommended by the Finance Committee and adopted by the Board of Directors.

ARTICLE XII – PROFESSIONAL STANDARDS

SECTION 1. REFERRAL OF MATTERS TO ASSOCIATION. A Member Board, prior to referring an ethics complaint or arbitration request for review to the Association, should exhaust all efforts to impanel an impartial tribunal to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable members of the Association on an ad hoc basis to serve on either a hearing panel or on behalf of the Board of Directors. If because of notoriety, etc., the Member Board cannot impanel an impartial tribunal, the Member Board may refer the matter to the Association.

SECTION 2. SUBMISSION OF MATTERS DIRECTLY TO ASSOCIATION. Allegations of ethical violations and contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® and REALTORS® and their customers and clients may be submitted to Illinois REALTORS® under the following circumstances:

A. Allegations of unethical conduct made against a REALTOR® who is directly a member of the Association and not a member of any local association.

B. Allegations of unethical conduct made against a REALTOR® in the instance in which the Member Board because of size or other valid reasons determines that it cannot provide a due process hearing on the matter and petitions the Association to conduct a hearing.

C. Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are not members of the same Member Board where the matter has been referred to the Association by both Member Boards.

D. Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are directly members of the Association and are not members of any Member Board.

E. Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between a REALTOR® who does not hold membership in any Member Board, but is directly a member of the Association, and a REALTOR® who is a member of a Member Board.

F. Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTOR® members of the same Member Board where the Member Board with good and sufficient reason, as approved by the Executive Committee, is unable to arbitrate the contractual dispute.

G. Contractual disputes between a customer or client and a REALTOR® where the Member Board with good and sufficient reason is unable to arbitrate the dispute or the REALTOR® is a direct member of the State Association.

H. When the Member Board is a duly authorized signatory of the Statewide Professional Standards Enforcement Agreement.

SECTION 3. STATEWIDE PROFESSIONAL STANDARDS ENFORCEMENT AGREEMENT. Allegations of ethical violations and contractual disputes may be referred to Illinois REALTORS® by a member if the Member Board, in which the ethics complaint or request to arbitrate is properly filed, is a signatory to the Statewide Professional Standards Enforcement Agreement.

SECTION 4. RIGHT TO CONDITION MEMBERSHIP ON COMPLETION OF PENDING PROCEEDING. If a member resigns from the Association or otherwise causes membership to terminate 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 a 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®. If a REALTOR® 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®.

SECTION 5. NEW MEMBER CODE OF ETHICS ORIENTATION. Applicants for REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes instructional time. This requirement does not apply to applicants who have completed comparable orientation in another association, provided that membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within 90 days of the date of application will result in denial of the membership application.

SECTION 6. CONTINUING MEMBER CODE OF ETHICS TRAINING.

A. REQUIREMENT TO COMPLETE TRAINING. Prior to November 2019, each REALTOR® member was required to complete Code of Ethics training in two-year periods, the most current of which was set to end on December 31, 2020. Effective in November 2019, the time period currently set to end on December 31, 2020, was extended to December 31, 2021, and for successive three-year periods thereafter, each REALTOR® member of the Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the NATIONAL ASSOCIATION OF REALTORS®) shall be required to complete ethics training of not less than two hours and thirty minutes of instructional time.

B. DOCUMENTATION OF COMPLETION. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction or equivalency, such as the NAR Commitment to Excellence (C2EX), conducted by this association, another local association, or the NATIONAL ASSOCIATION OF REALTORS® as amended from time to time. REALTOR® Members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-year cycle commences.

C. FAILURE TO SATISFY REQUIREMENT. Failure to satisfy this requirement shall be considered a violation of a membership duty. Failure to meet the requirement in any three-year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three-year cycle or until the requirement is met, whichever occurs sooner. If the requirement has not been met by March 1st, the membership of a member who is still suspended as of that date will be automatically terminated.

SECTION 7. PROCEDURES. Professional Standards hearings and the organization and procedures incident thereto shall be governed by the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, as amended and modified from time to time by the NATIONAL ASSOCIATION OF REALTORS®, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

SECTION 8. CODE OF ETHICS. The Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® is adopted as the Code of Ethics of this Association and shall be considered a part of its rules and regulations and the Code of Ethics

and the rules and regulations of the Association shall in the future be deemed to be amended or changed whenever said Code of Ethics is amended or changed by the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 9. ENFORCEMENT OF THE CODE. The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members for violations of the same, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provisions deemed inconsistent with state law shall be deleted or amended to comply with state law.

ARTICLE XIII – USE OF THE TERMS REALTOR® AND REALTORS®

SECTION 1. USE OF TERMS. Use of the terms REALTOR® or 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 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*. In the case of a REALTOR® principal member whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

SECTION 2. USAGE RESTRICTED TO MEMBERS. REALTOR® members in good standing whose financial obligations to the Association are paid in full shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their business and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession. No other class of members shall have this privilege.

SECTION 3. USAGE OF TERMS BY INDIVIDUALS WITHIN FIRMS. A REALTOR® Member who is a principal of a real estate firm, partnership or corporation may use the terms REALTOR® or REALTORS® only if all the principals of such firm, partnership or corporation are actively engaged in the real estate profession within the state or a state contiguous thereto and are REALTOR® or Institute Affiliate Members.

SECTION 4. USE PROHIBITED BY INSTITUTE AFFILIATE MEMBERS. An Institute Affiliate Member shall not use the term REALTOR® or REALTORS® and shall not use the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 5. PROPERTY RIGHTS IN REALTOR® MARK. 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, or upon a determination by the board of directors of the National Association that it has violated the conditions imposed upon the terms.

ARTICLE XIV – RULES OF ORDER

SECTION 1. ROBERT’S RULES OF ORDER. Robert’s Rules of Order, latest edition, shall be recognized as the authority governing proceedings at all meetings and conferences, when not in conflict with the Bylaws of the Association.

ARTICLE XV – AMENDMENTS

SECTION 1. PROCEDURE FOR AMENDING BYLAWS. 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 Board and each member of the Board of Directors by mail or through electronic means at least 30 days in advance of the meeting.

SECTION 2. AMENDMENTS AFFECTING THE ADMISSION AND QUALIFICATION OF MEMBERS. Amendments to these Bylaws affecting admission or qualification of Institute Affiliate Members and the use of the terms REALTOR® or REALTORS® shall become effective upon approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVI – BUSINESS AFFAIRS

SECTION 1. FISCAL YEAR. The fiscal year of the Association shall be the calendar year.

SECTION 2. ADMINISTRATIVE YEAR. The Administrative Year of the Association shall begin at the installation of the elected Officers of the Association and end at the next election of Officers.

SECTION 3. DISSOLUTION. Upon the dissolution or winding up the affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets within its discretion to any not-for-profit and tax-exempt organization.