

BYLAWS OF THE
THREE RIVERS ASSOCIATION OF REALTORS® , INC.

ARTICLE I - NAME

- Section 1: **Name.** The name of this organization shall be the THREE RIVERS ASSOCIATION OF REALTORS®, INC. (hereinafter 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 - OBJECTS

The objects of the Association are:

- Section 1. To unite those engaged in the recognized branches of the real estate profession in this community for the purpose of exerting a beneficial influence upon the profession and related interests.
- Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.
- Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.
- Section 4. To further the interest of home and other real property ownership.
- Section 5. To unite those engaged in the real estate profession in this community with the ILLINOIS 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, those individuals authorized to use the terms REALTOR® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III - JURISDICTION

- Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® shall include Grundy County and all of Will County, Illinois, but not including the townships of Monee, Crete, Will and Washington, except for the City of Peotone in Will County.

Section 2. Territorial jurisdiction is defined to mean the right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the condition 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 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, or corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Illinois or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership individually 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.

Individuals who are engaged in the real estate profession other than as 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.

Commercial. In the case of a real estate firm partnership, or corporation, whose business activity is substantially all commercial, only those principles 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 principles hold 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).

NOTE: REALTOR® Members may obtain membership in a "secondary" Board in another state.

(3) **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 NATIONAL ASSOCIATION OF REALTORS® Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local board, state association and National Association.

Primary and SECONDARY REALTOR® Members. An individual is a primary member of 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 Board/Association. One of the principals in a real estate firm must be a Designated REALTOR® Member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Board/Association.

(5) **Designated REALTOR® Member.** Each firm shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

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

(c) **Affiliate Members.** Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

(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 institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application.

An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant: (1) that applicant agrees as a condition to membership to thoroughly familiarize him/herself 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 Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association, through its staff or otherwise, may invite and receive information and comment about 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, libel, 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. Qualification.

(a) An applicant for REALTOR® Membership who is a principal, partner, branch office manager, or corporate officer of a real estate firm shall supply evidence satisfactory to the Association that he/she 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 examination thereon as may be required by the Committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. (See NOTE 1)

(b) The Board/Association will also consider the following in determining an applicant's qualifications for REALTOR® membership: 1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years 2. Pending ethics complaints (or hearings) 3. Unsatisfied discipline pending 4. Pending arbitration requests (or hearings) 5. Unpaid arbitration awards or unpaid financial obligations to any other association or association 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.

NOTE 1: **(i)** *No recent or pending bankruptcy* is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, branch office manager, or corporate officer is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected

unless the Association establishes that its interests and those of its Members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date the applicant is discharged from bankruptcy (whichever is later). In the event that an existing Member initiates bankruptcy proceedings, the Member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

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

NOTE 2: Article IV, Section 2 of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® or REALTOR®-Associate membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® or for violation of the Code of Ethics.

Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, branch office managers, or corporate officers, in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Board/Association (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 Association, the Bylaws of the State Association, the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®; shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Association and shall agree in writing that if elected to membership he/she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and the Constitution, Bylaws and Rules and Regulations of the Association, State Association, and the National Association.

Section 3. **Election.**

The procedure for election to membership shall be as follows.

(a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the board of directors.

(b) If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within _____ days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.

(c) The board of directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the board of directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The board of directors may also have counsel present. The board of directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(d) If the board of directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Adopted 1/98, Amended 1/05)

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 instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break

in membership is for one year or less.

Failure to satisfy this requirement within ninety (90) days of the date of application 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 from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

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

Effective January 1, 2019, through 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) shall be required to complete ethics training of not less than two (2) hours and thirty (30) 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 REALTOR® association, the State Association of REALTORS®, or the NATIONAL ASSOCIATION OF REALTORS which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three year cycle shall not be required to complete additional ethics training until a new three year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three 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. 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, Amended 11/08, Amended 11/2016, Amended 1/2020)

Section-4. 6 **Status Changes.**

- (a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she 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

previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within thirty (30) days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors. (See NOTE 2)

A REALTOR® who is transferring this 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 thirty (30) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

NOTE 2: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.

- (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 month in which the Member is notified of election by the Board of Directors, except that the amount of the Member's dues attributable to membership in the Illinois and National Association of REALTORS® 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 Association 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 principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and

professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Association's staff, 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® or 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 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.

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, 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 complainant is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins as association of REALTORS®.

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to medication 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®. (Amended 1/00 and 11/11)

Section 6. REALTOR® Members.

(a) 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.

(b) If a REALTOR® member is a principal in a firm, partnership, or corporation and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever shall apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® member (non-principals) elects to sever his/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 is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, Partnership or corporation shall not be affected.

(c) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6 (b) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with Member and they shall be advised that the provisions in Article VI, Section 6 (b) shall apply.

Section 7. **Institute Affiliate Members.** Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: **Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, 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 8. **Affiliate Members.** Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

- Section 9. **Public Service Members.** Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.
- Section 10. **Honorary Members.** Honorary Membership shall confer only the right to attend meetings and participate in discussions.
- Section 11. **Student Members.** Student Members shall have rights and privileges and be subject to obligations prescribed by the of Board Directors.
- Section 12. **Certification by REALTORS®.** "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 with the REALTOR®'s office(s) and shall designate primary Association for each individual who holds membership. Designated REALTORS® shall also identify any nonmember licensees in the Realtor's office(s) and if Designated REALTOR® dues have been paid to another Association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. Designated REALTOR® Members shall also notify the 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 13. **Sexual Harassment.** Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-Elect and/or 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. Disciplinary action may include any sanction authorized in the association's code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect 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.
- Section 14. **Legal Liability Training.** Within two years of the date of election to membership, and every two years thereafter, at the discretion and with

the approval of the Board of Directors, 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 educational 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.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the NATIONAL ASSOCIATION OF REALTORS® Code of Ethics, the disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the current **Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®** which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the 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.

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 Board shall have

the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors 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 privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

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

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

Section 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1. The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the ILLINOIS 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 REALTORS® without further payment of dues and shall continue as a Member of the State and National Association, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one (1) 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, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. The Association 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 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. **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 Board in the state or a state contiguous thereto or Institute Affiliate Members of the Board. In calculating the dues payable to the Board by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board in the state or a state contiguous thereto, provided the said non-member licenses in another Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Board.* (Amended 1/01)

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

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licenses affiliated with that entity and shall certify that all the licensed 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 purpose of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

Membership dues shall be prorated for any license 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 each REALTOR® Member other than the Designated REALTOR® shall be 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) **Affiliate Members.** The annual dues of each Affiliate Member shall be as established annually by the Board of Directors.
- (e) **Public Service Members.** The annual dues of each Public Service Member shall be as established annually by the Board of Directors.
- (f) **Honorary Members.** Dues payable, if any, shall be at the discretion of the Board of Directors.
- (g) **Student Members.** Dues payable, if any, shall be at the discretion of the Directors.

Section 3. **Dues Payable.** Dues for all Members shall be payable annually in Advance on the first day of October. Dues shall be computed from the first day of the month in which a Member is notified of election, except that the amount of the Member's dues attributable to membership in the Illinois and National Associations of REALTORS® shall be computed from the first day of the quarter in which the Member is notified of election, 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 licensee 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, fines, or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. In addition, there will be a late charge of **\$50.00** on Association dues received after November 1st. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three **(3)**

months after 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 or expel a Member for nonpayment of disputed dues until the accuracy of the amount owing has been confirmed by the Board of Directors. A former Member who has had his or her membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of the Rules and Regulations 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 including the prescribed application fee if the termination has been greater than thirty (30) days.

- 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 available cash on hand may not be made unless authorized by 20% of the Association Members eligible to vote.
- Section 7. **Notice of Dues, Fees, Fines, Assessments, and other Financial Obligations of Members.** All dues, fees, fines, assessments, or other financial obligations to the Association or the Association's Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and the due date.
- Section 8. **REALTOR® Emeriti Dues.** 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, President Elect, and a Secretary/Treasurer. They shall be elected for terms of one year or until their successors are elected.
- 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 duty of the Secretary/ Treasurer to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the ILLINOIS REALTORS®.

Section 3. **Board of Directors.** The governing body of the Association shall be a Board of Directors consisting of the Elective Officers and ten (10) REALTOR® Members of the Association. Directors shall be elected to serve for terms of three (3) years, except that the outgoing president will be nominated for one year.

Section 4. (a) At least six (6) months before the annual election, a Nominating Committee shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall consist of no less than seven (7) members with at least two (2) being Past Presidents, exclusive of any current Officer, member of the Board of Directors, or the Immediate Past President. The President shall name one of the Past Presidents as Chair and another Past President as Vice-Chair. All committee members shall be REALTOR® members in good standing with the Association. If, for some reason, a member is unable to attend the meeting of the Nominating Committee where candidate interviews are conducted, that member shall be removed from the committee. All terms will be for one year. Vacancies on the committee shall be filled by the President. 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 (the "Nominated Slate"). The report of the Nominating Committee shall be published in the newsletter or emailed to each Member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 20% of the REALTOR® Members eligible to vote. The petition shall be filed with the Secretary/Treasurer at least two (2) weeks before the election. The Secretary/Treasurer shall send notice of such additional nominations to all Members eligible to vote in the election. (Adopted 9/14)

(b) The election (or confirmation of the Nominated Slate if no additional candidates are nominated by petition) of Officers and Directors shall take place at the annual meeting. Election shall be by ballot and shall contain the names of all candidates and the offices for which they are nominated. The Association shall provide proxy cards to all REALTOR® Members for elections or any matter that needs to be voted on. The proxy cards will be legal and binding.

(c) Board AE and staff will conduct the election and calculate the ballots. 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 a simple majority vote of the Board of Directors until the next annual election, at which time; a Director shall be nominated and elected to fill the remainder of the term of the vacating Director.

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 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 Association 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 Association 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 Members. Provided a quorum is present, a three-fourths (3/4) vote of Members present and voting shall be required for removal from office.

Section 7 **Indemnification of Officers, Directors, Employees and Agents.**

(a) The Association does hereby indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he/she is or was a director, officer, employee or agent of the corporation, or who is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he/she acted in good faith and in a manner he/she reasonably believes to be in, or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

The Association does hereby indemnify any person who was or is a party, or is threatened to be made a party to any threatened pending or completed action, or suit by, or in the right of the Association to procure a judgment in its favor by reason of the fact that he/she is, or was, serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), actually and reasonably incurred by him or her in connection with the defense of settlement of such action or suit if he/she acted in good faith and in a manner

in which he/she reasonably believes to be in, or not opposed to the best interest of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

To the extent that a director, officer, employee, or agent of the Association has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding referred to in Paragraphs (a) and (b), above, or in defense of any claim, issue or matter therein, he/she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Any indemnification under Paragraphs (a) and (b), above, (unless ordered by court) shall be made by the corporation only as authorized in each specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he/she has met the applicable standards of conduct set forth in Paragraphs (a) and (b). Such determination shall be made (1) by the Board of Directors, by a majority vote of a quorum consisting Board of Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the Members.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in each specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he/she is entitled to be indemnified by the Association as authorized in this action.

The indemnification provided herein shall not be deemed exclusive of Any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of Members or disinterested directors or otherwise, capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or who is or was serving at the request of the corporation as

a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her, and incurred by him or her in any such capacity, or arising out of his or her status as such whether or not the Association would have the power to indemnify him or her against such liability under the provisions of this Article.

ARTICLE XII - MEETINGS

- Section 1. **Annual Meetings.** The annual meeting of the Association shall be held each fiscal year prior to the installation of new Officers and Directors; the month, date, place, and hour to be designated by the Board of Directors. The new officers and directors shall assume their offices October 1st following the election.
- Section 2. **Meetings Board of Directors.** The Board of Directors shall designate a regular time and place of meetings. Should a member of the Board miss three (3) regular meetings in one (1) fiscal year, then that Director may be removed by a majority vote of the Board of Directors. A quorum for a meeting of the Board of Directors shall be a majority of the Directors then holding office.
- Section 3. **Other Meetings.** Meetings of the Members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least ten percent of the REALTOR[®] Members.
- Section 4. **Notice of Meetings.** Notice, in such fashion and by any means as deemed appropriate by the Board of Directors, shall be given to every Member entitled to participate in the meeting at least one week preceding all meetings. If a special meeting is called a statement of the purpose of the meeting shall be part of such notice.
- Section 5. **Membership Meeting Quorum.** A quorum for the transaction of business at a Meeting of the Members shall consist of twenty-five (25) REALTOR[®] Members.

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, Nominating, Grievance, Finance
- Section 2. **Special Committees.** The President shall appoint, subject to confirmation by the Board of Directors, such special committees as he/she may deem necessary.
- Section 3. **Organization.** All committees shall be of such size and shall have such

duties, functions and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these Bylaws.

- Section 4. **President.** The President shall be an ex-officio member of all standing committees except for Nominating Committee and shall be notified of their meetings. (Adopted 9/14)
- Section 5. **Committee Meeting Quorum.** A quorum for the transaction of business at a Committee meeting shall consist of three (3) committee members and the Chairperson.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

- Section 1. **Fiscal Year.** The fiscal year of the Association shall be October 1st through September 30th.
- Section 2. **Elective Year.** The elective year of the Association shall match the fiscal year of October 1, through September 30.

ARTICLE XV - RULES OF ORDER

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

ARTICLE XVI - AMENDMENTS

- Section 1. These Bylaws may be amended by the majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.
- Section 2. Notice, in such fashion and by any means deemed appropriate by the Board of Directors, of all meetings at which amendments are to be considered shall be given 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 qualification 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®.

ARTICLE XVII - DISSOLUTION

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 REALTORS® or, within its discretion, to any other nonprofit tax exempt organization.

ARTICLE XVIII - MULTIPLE LISTING

- Section 1. **Authority.** The Association shall maintain or participate in, for the use of its Members, a Multiple Listing Service, which shall be subject to the Bylaws of the Association and such Rules and Regulations as may be hereinafter adopted.
- Section 2. **Purpose.** A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property; for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale (or lease).
- Section 3. **Participation.** Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. * However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and ~~are capable of offering and accepting~~ offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. ** Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

Section 4. **Supervision.** The activity shall be operated under the supervision of the Board of Directors.

Section 5. **Access to Comparable and Statistical Information.** Association Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm

except as otherwise specified in the MLS Rules and Regulations. Association Members who receive such information, either as a service or through the Association MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

**ARTICLE XIX. - CONFLICT OF INTEREST, DISCLOSURE,
AND CONFIDENTIALITY**

- Section 1. **Conflicts of Interest.** Officers, Directors, Committee Members, Agents, and Employees of the Association, or their immediate family members (children, step-children, parents, stepparents, siblings, in-laws, or spouses), shall not have, or acquire, any interest, legal or beneficial, in any entity that is an actual or potential purchaser or supplier of products or services to or from the Association, unless the full nature and extent of such interest is disclosed to the Association's Board of Directors in writing.
- Section 2. **Recusal of Interested Directors.** The Association's Directors may authorize, approve, or ratify a contract or transaction in good faith by a vote of Directors sufficient for that purpose, provided that the vote or approval of any Director, Officer, or Employee who has disclosed an interest in the transaction shall not be considered in determining whether the transaction has been properly approved, authorized or ratified by the Association.
- Section 3. **Exemptions.** The Board of Directors of the Association shall have the Power to determine whether any particular transactions, or classes of transactions, should be exempt from the requirements of this Article.
- Section 4. **Confidentiality.** Officers, Directors, Committee Members, Agents, or Employees of the Association shall not disclose to any other person confidential information acquired by them in the course of their official duties, except pursuant to subpoena, court order, or other legal requirement, or use such information for the purpose preliminary gain in any manner that is contrary to the best of interest of the Association and are required to sign a confidentiality statement.