



BYLAWS OF THE CHICAGO ASSOCIATION OF REALTORS®, INC.

Bylaws amendments approved by Membership – August 20, 2026

**Chicago Association of REALTORS®
430 N. Michigan Ave., Suite 800
Chicago, Illinois 60611
312.803.4900 FAX 312.803.4905
www.chicagorealtor.com**

<u>ARTICLE I - PURPOSE</u>	1
<u>ARTICLE II - NAME</u>	1
2.1 <u>Name</u>	1
2.2 <u>REALTORS®</u>	1
<u>ARTICLE III - DEFINITIONS</u>	1
<u>ARTICLE IV - OBJECTIVES</u>	2
<u>ARTICLE V - JURISDICTION AND MEMBERSHIP IN NAR</u>	2
5.1 <u>State and National Membership</u>	2
5.2 <u>Territorial Jurisdiction</u>	3
5.3 <u>REALTOR® Trademark</u>	3
5.4 <u>Division of Territorial Jurisdiction</u>	4
<u>ARTICLE VI - MEMBERSHIP</u>	4
6.1 <u>REALTOR® Members</u>	4
6.2 <u>Franchise REALTOR® Members</u>	4
6.3 <u>Primary and Secondary REALTOR® Members</u>	5
6.4 <u>Designated REALTOR® Members</u>	5
6.5 <u>Institute Affiliate Members</u>	5
6.6 <u>Affiliate Members</u>	5
6.7 <u>Honorary Members</u>	5
6.8 <u>Honorary Life Members</u>	6
6.9 <u>Hall of Fame Members</u>	6
6.10 <u>Emeritus Members</u>	6
<u>ARTICLE VII - MEMBERSHIP APPLICATION, QUALIFICATIONS, AND ELECTION</u>	6
7.1 <u>Application</u>	6
A. <u>General Requirement</u>	6
B. <u>Compliance With Applicable Rules</u>	6
C. <u>Consent to Investigation</u>	7
7.2 <u>Qualifications</u>	7
A. <u>REALTOR® Member</u>	7
B. <u>Other Memberships</u>	7
C. <u>Provisional Members</u>	7
D. <u>Pending Ethics Matter</u>	7

7.3	<u>Membership Decisions</u>	7
A.	<u>Review of Application; Provisional Membership</u>	7
B.	<u>Appeals to the Board of Directors</u>	7
C.	<u>New Member Code of Ethics Orientation</u>	8
D.	<u>New Member Fair Housing Orientation</u>	8
E.	<u>Continuing Member Code of Ethics Training</u>	8
F.	<u>Continuing Fair Housing Training</u>	8
G.	<u>Membership Termination</u>	9
	<u>ARTICLE VIII - PRIVILEGES AND OBLIGATIONS</u>	9
8.1	<u>Privileges of REALTOR® Members</u>	9
8.2	<u>Disciplinary Actions for Violation of CAR Standards</u>	9
8.3	<u>Disciplinary Action for Violation of Code of Ethics</u>	9
8.4	<u>Resignations</u>	10
A.	<u>Indebtedness</u>	10
B.	<u>Pending Arbitration Matter</u>	10
8.5	<u>REALTOR® Members</u>	10
A.	<u>General Authority</u>	10
B.	<u>Use of REALTOR® Term</u>	10
C.	<u>General Obligations</u>	10
D.	<u>Suspension or Termination of Principal REALTOR® Members</u>	10
	1. <u>Use of REALTOR® Term</u>	10
	2. <u>Effect on Affiliated Principal</u>	10
	3. <u>Effect on Affiliated Non-Principals</u>	11
	4. <u>Continuing Rights</u>	11
E.	<u>Notice of Suspension or Termination</u>	11
8.6	<u>Institute Affiliate, Honorary, Honorary Life, and Hall of Fame Members</u>	11
8.7	<u>Harassment</u>	11
8.8	<u>Ensuring the Security of Listed Property</u>	11
	<u>ARTICLE IX - PROFESSIONAL STANDARDS</u>	12
9.1	<u>Code of Ethics and Arbitration Manual</u>	12
A.	<u>Enforcement of the Code</u>	12
B.	<u>Obligation of REALTOR® Members</u>	12
	<u>ARTICLE X - DUES AND ASSESSMENTS</u>	12

10.1	<u>Application Fee</u>	12
A.	<u>REALTOR® Member</u>	12
B.	<u>Other Classes of Members</u>	12
10.2	<u>Dues</u>	12
A.	<u>Designated REALTOR® Members Dues</u>	12
B.	<u>REALTOR® Members Dues</u>	13
C.	<u>Institute Affiliate Members Dues</u>	13
D.	<u>Other Classes of Membership</u>	13
<u>ARTICLE XI - OFFICERS</u>		13
11.1	<u>Identification and Term</u>	13
11.2	<u>President</u>	14
A.	<u>Ascension</u>	14
B.	<u>Powers and Duties</u>	14
A.	<u>President's Vote</u>	14
B.	<u>Absence or Inability to Act</u>	14
11.3	<u>President-Elect</u>	15
A.	<u>Election</u>	15
B.	<u>Powers and Duties</u>	15
C.	<u>Absence or Inability to Act</u>	15
	1. Temporary	15
	2. Permanent	15
11.4	<u>Temporary President</u>	16
11.5	<u>Secretary / Treasurer</u>	16
A.	<u>Election</u>	16
B.	<u>Powers and Duties</u>	16
	1. Finance Committee	16
	2. Financial Matters	16
	3. Secretarial Matters	16
C.	<u>Absence or Inability to Act</u>	16
	1. Temporary	16
	2. Permanent	17
11.6	<u>Removal Upon Member Vote</u>	17

A.	<u>Petition</u>	17
B.	<u>Special Meeting</u>	17
C.	<u>Decision</u>	17
	<u>ARTICLE XII - BOARD OF DIRECTORS</u>	17
12.1	<u>General Powers</u>	17
12.2	<u>Directors</u>	18
A.	<u>Officer Directors (3)</u>	18
B.	<u>Immediate Past President (1)</u>	18
C.	<u>At-Large Directors</u>	18
1.	<u>Description</u>	18
2.	<u>Term</u>	18
3.	<u>Transition</u>	18
D.	<u>Public Policy Coordinating Committee Director (1)</u>	19
1.	<u>Description</u>	19
2.	<u>Term</u>	19
E.	<u>Commercial Forum Committee Director (1)</u>	19
1.	<u>Description</u>	19
2.	<u>Term</u>	19
F.	<u>P-E Directors</u>	19
1.	<u>Description</u>	19
2.	<u>Term</u>	19
G.	<u>Authority to Add Additional Board Members</u>	19
12.3	<u>Absence or Inability to Act</u>	20
A.	<u>Resignation</u>	20
B.	<u>Removal</u>	20
1.	<u>Petition</u>	20
2.	<u>Special Meeting</u>	20
3.	<u>Decision</u>	20
12.4	<u>Other Vacancies</u>	21
	<u>ARTICLE XIII - ELECTION OF OFFICERS AND DIRECTORS</u>	21

13.1	<u>Election of Officers</u>	21
13.2	<u>Election of Directors</u>	21
A.	<u>Nominating Committee</u>	21
1.	<u>Selection of Chair</u>	21
2.	<u>Nominating Committee Members</u>	21
3.	<u>Selection of Nominating Committee Members</u>	21
4.	<u>Slating of Directors</u>	21
B.	<u>Election of Non-Automatic Directors</u>	22
<u>ARTICLE XIV - ADMINISTRATIVE STAFF OF CAR</u>		22
14.1	<u>Administrative Staff</u>	22
14.2	<u>Chief Executive Officer</u>	22
A.	<u>Appointment</u>	22
B.	<u>Duties</u>	22
C.	<u>Absence or Inability; Incapacity</u>	22
14.3	<u>Other Personnel</u>	22
<u>ARTICLE XV - GENERAL COUNSEL</u>		23
15.1	<u>Appointment</u>	23
15.2	<u>Removal</u>	23
15.3	<u>Duties</u>	23
15.4	<u>Oversight and Control</u>	23
<u>ARTICLE XVI - MEETINGS</u>		23
16.1	<u>Board of Directors and Executive Committee</u>	23
A.	<u>Regular Meeting</u>	23
B.	<u>Special Meeting</u>	23
C.	<u>Quorum</u>	23
D.	<u>Voting</u>	24
E.	<u>Notice of Meetings</u>	24
16.2	<u>Members</u>	24
A.	<u>Regular Meeting</u>	24
B.	<u>Special Meeting</u>	24
C.	<u>Annual Meeting</u>	24
D.	<u>Quorum</u>	24

E. <u>Voting</u>	24
<u>ARTICLE XVII - COMMITTEES</u>	24
17.1 <u>Purpose</u>	24
17.2 <u>Standing Committees</u>	24
A. <u>Establishment</u>	24
B. <u>Membership and Duties</u>	25
C. <u>Executive Committee</u>	25
D. <u>Nominating Committee</u>	25
E. <u>Professional Standards Committee</u>	25
F. <u>Committee Chair</u>	25
17.3 <u>Special Committees</u>	25
17.4 <u>Attendance</u>	25
<u>ARTICLE XVIII - MULTIPLE LISTING SERVICE</u>	25
<u>ARTICLE XIX - MISCELLANEOUS</u>	26
19.1 <u>Fiscal Year</u>	26
19.2 <u>Rules of Order</u>	26
19.3 <u>Notices</u>	26
<u>ARTICLE XX - AMENDMENTS</u>	27
20.1 <u>Amendments</u>	27
20.2 <u>Effective Date</u>	27
<u>ARTICLE XXI - DISSOLUTION</u>	27
<u>ARTICLE XXII - INDEMNIFICATION AND INSURANCE</u>	27
22.1 <u>General Indemnification</u>	27
22.2 <u>CAR Actions</u>	28
22.3 <u>Case-By-Case Determination</u>	28
22.4 <u>Insurance</u>	28

**BYLAWS
OF THE
CHICAGO ASSOCIATION OF REALTORS®, INC.**

ARTICLE I - PURPOSE

These Bylaws are adopted to establish the organizational structure and rules of proceeding of the Chicago Association of REALTORS®, Inc.

ARTICLE II - NAME

2.1 Name.

The official name of this organization shall be the Chicago Association of REALTORS®, Inc., an Illinois not-for-profit corporation.

2.2 REALTORS®.

Inclusion and retention of the registered collective membership mark “REALTORS®” in the name of CAR shall be governed by the Constitution and Bylaws of NAR, as the same has been and may be, from time to time hereafter, amended.

ARTICLE III - DEFINITIONS

For purposes of these Bylaws, the following terms and words are defined as follows:

“Automatic Directors” shall mean the Officer Directors and Immediate Past President of CAR.

“Board of Directors” means the CAR Board of Directors set forth in Article 12 of these Bylaws.

“CAR” means the Chicago Association of REALTORS®, Inc., an Illinois not-for-profit corporation.

“CAR / MLS” means the Chicago Association of REALTORS®, Inc. Multiple Listing Service, a Delaware corporation.

“Code of Ethics and Arbitration Manual” or “Code of Ethics” means the Code of Ethics and Arbitration Manual of NAR, as may be amended from time to time.

“Constitution” means the Constitution of NAR, as may be amended from time to time.

“Director” shall mean an individual member of the Board of Directors.

“IR” means Illinois REALTORS®, Inc., an Illinois not-for-profit corporation.

“Member” means a member of CAR pursuant to Articles VI and VII of these Bylaws, and includes: (i) REALTOR® Members; (ii) Franchise REALTOR® Members; (iii) Primary and Secondary REALTOR® Members; (iv) Designated REALTOR® Members; (v) Institute Affiliate

Members; (vi) Affiliate Member; (vii) Honorary Members; (viii) Honorary Life Members; (xi) Hall of Fame Members; and (x) Emeritus Members.

“NAR” means the National Association of REALTORS®, Inc., an Illinois corporation.

“Policy and Procedure Manual” means that certain Policy and Procedure Manual adopted and approved by the Board of Directors and containing various rules, regulations, policies, and procedures of CAR and CAR / MLS, as may be amended from time to time. In the event of a conflict between the provisions of these Bylaws and the provisions of the Policy and Procedure Manual, the provisions of these Bylaws shall control to the extent of any such conflict.

ARTICLE IV - OBJECTIVES

The objectives of CAR are as follows:

1. To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.
2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics.
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.
4. To further the interests of home and other real property ownership.
5. To unite those engaged in the real estate profession in this community with IR and NAR, thereby furthering their objectives throughout the State of Illinois and the nation and securing the benefits and privileges of membership therein.
6. To designate, for the benefit of the public, those individuals authorized to use the term REALTOR®, as licensed, prescribed, and controlled by NAR.
7. To offer instruction in subjects related to the real estate profession designed to assist persons desiring to enter the profession and to improve the skills of persons who are already members of the profession.
8. To further the constructive growth of the City of Chicago and its metropolitan area, to promote economy and efficiency in government, particularly at the local levels, and to assist in affecting an equitable distribution of the tax burden.
9. To facilitate efficient real estate transactions.
10. To compile reliable information concerning real estate, its trends and market conditions.

ARTICLE V - JURISDICTION AND MEMBERSHIP IN NAR

5.1 State and National Membership.

CAR shall be a member of NAR and IR. By reason of CAR's membership, each REALTOR® Member of CAR shall be entitled to membership in NAR and IR without further payment of dues. CAR shall continue as a member NAR and IR, unless by a majority vote of all of its REALTOR® Members, a decision is made to withdraw, in which case NAR and IR shall be notified at least one month in advance of the date designated for the termination of such membership.

CAR recognizes the exclusive property rights of NAR in the terms REALTOR® and REALTORS®. CAR shall discontinue use of the terms in any form in its name, upon ceasing to be a member of NAR, or upon a determination by the board of directors of NAR that it has violated the conditions imposed upon the terms.

CAR adopts the Code of Ethics of NAR and agrees to enforce the Code among its REALTOR® members CAR and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of NAR.

5.2 Territorial Jurisdiction.

The territorial jurisdiction of CAR, as a member association of NAR, shall include all areas within the corporate boundaries of the City of Chicago and from the intersection of Harlem and Roosevelt Road, East on Roosevelt Road to Cicero Avenue, thence south along Cicero to the Sanitary Canal, then west along the Sanitary Canal to the Easterly city limits of Forest View, then South to the Southern City limits of Forest View, thence West to Joliet Road and 1st Avenue, North on 1st Avenue to 47th Street, thence West on 47th to Custer Avenue, thence North on Custer to Ogden Avenue, from that point East on Ogden Avenue to Harlem Avenue, thence North on Harlem Avenue to 26th Street, West on 26th Street to 19th Avenue, North on 19th Avenue to Cermak Road, East on Cermak Road to Des Plaines River, North along Des Plaines River to the intersection of Des Plaines River and North Riverside's North city limits, thence East to Harlem Avenue, and North on Harlem Avenue to Roosevelt Road (12th Street, the point of beginning) as of October 1, 2010.

5.3 REALTOR® Trademark.

Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name CAR shall be governed by the Constitution and Bylaws of NAR as from time to time amended.

Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of NAR and to the Rules and Regulations prescribed by NAR's board of directors. CAR shall have the authority to control, jointly and in full cooperation with NAR, 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 NAR's Code of Ethics and Arbitration Manual.

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

A REALTOR® Principal Member may use the terms REALTOR® and REALTORS®, only if all the principals of such firm, partnership, or corporation who are actively

engaged in the real estate profession within Illinois or a state contiguous thereto are REALTOR® Members or Institute Affiliate Members.

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.

Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of NAR.

5.4 Division of Territorial Jurisdiction.

CAR shall not entertain, approve or endorse any endeavor to divide the territorial jurisdiction of CAR.

ARTICLE VI - MEMBERSHIP

6.1 REALTOR® Members.

The following is a general description of the different types of REALTOR® Members:

REALTOR® Members, whether primary or secondary shall be:

1. Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Illinois or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® membership only, and each is required to hold REALTOR® membership (except as 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.

2. 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.

3. 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.

6.2 Franchise REALTOR® Members.

Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) 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 NAR.

6.3 Primary and Secondary REALTOR® Members.

An individual is a primary member if the association pays state and National dues based on such member. An individual is a secondary member if state and National dues are remitted through another association. One of the principals in a real estate firm must be a designated REALTOR® Member of CAR in order for licensees affiliated with the firm to select CAR as their "primary" association.

6.4 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. 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.

6.5 Institute Affiliate Members.

Institute Affiliate Members shall be (a) individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with NAR that addresses a specialty area other than residential brokerage, or (b) 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 be a REALTOR® Member, subject to payment of applicable dues.

6.6 Affiliate Members.

Affiliate Members shall be individuals, firms, or corporations, wherever residing or located, who, while not engaged in the real estate profession as described in Paragraph 6.1.A or Section 6.5 of these Bylaws, have interests requiring information concerning real estate, and who share and are in sympathy with the objectives of CAR. Affiliate Members shall not be entitled to vote (except as provided under Article XII of these Bylaws), to hold office (except as provided under Article XII of these Bylaws), use the term REALTOR® or be a Participant or Subscriber in CAR / MLS (MRED); except as provided under Article XVIII of these Bylaws.

6.7 Honorary Members.

Honorary Members shall be individuals who are not engaged in the real estate profession but who have performed notable service for the real estate profession, for CAR, or for

the public. Honorary Members shall not be entitled to vote, to hold office, or to use the term REALTOR®.

6.8 Honorary Life Members.

Honorary Life Members shall be (a) the past presidents of CAR or any of its predecessor entities, (b) individuals holding membership for a total of 40 years or more in CAR or any of its predecessor entities, and (c) such other Member regardless of classification or term of membership, who has, pursuant to a duly adopted resolution of the Board of Directors, been granted an exemption from CAR dues, excepting those amounts as shall from time to time constitute the portion of CAR dues to NAR and IR imposed on CAR for such Member's membership in CAR and the Designated REALTOR® dues formula. Honorary Life Members shall be entitled to vote and to hold office if prior to becoming an Honorary Life Member the Honorary Life Member was a REALTOR® Member of CAR or an active member of any of CAR's predecessor entities.

6.9 Hall of Fame Members.

Hall of Fame Members shall be individuals who satisfy each of the criteria for Hall of Fame membership as set forth in the Policy and Procedure Manual and as determined by the Board of Directors, and who have been nominated by the CAR Foundation and elected to the CAR Hall of Fame by the Board of Directors. Hall of Fame Members shall not be entitled to vote, to hold office, or to use the term REALTOR®, unless the Hall of Fame Member is a REALTOR® Member.

6.10 Emeritus Members.

Emeritus Members shall be any individual who is a REALTOR® Member and who has been a REALTOR®-Principal, REALTOR® or Honorary Member for 40 or more years. Emeritus Members shall have the right to vote, to hold office, and to use the term REALTOR®. A REALTOR® Emeritus candidate member must also have completed at least one year of service at NAR.

ARTICLE VII - MEMBERSHIP APPLICATION, QUALIFICATIONS, AND ELECTION

7.1 Application.

A. General Requirement.

Membership in CAR is a privilege and not a right. CAR shall have no obligation to grant membership to any applicant and may reject an application when granting membership would not be consistent with CAR's mission or in keeping with the professional standards of CAR. Application to be a Member shall be made in such manner and form as may be prescribed in the Policy and Procedure Manual.

B. Compliance With Applicable Rules.

As a condition to membership, the application shall, at a minimum, require the applicant to be thoroughly familiar, and to comply at all times, with the Code of Ethics and Arbitration Manual and the Constitution, Bylaws, and rules and regulations of CAR, IR, and NAR, including, without limitation, the obligation to arbitrate controversies as specified by Article 17 of the Code of Ethics.

C. **Consent to Investigation.**

As a condition to membership, the applicant shall acknowledge and agree that CAR, through its Membership Department, may invite and receive information and comment about the applicant from any Member or other sources. The applicant shall further acknowledge and agree that any information and comment furnished to CAR by any person with regard to a membership application, shall be conclusively deemed to be privileged and shall not form the basis of any action for slander, libel, or defamation of character.

7.2 Qualifications.

A. **REALTOR® Member.** To qualify as a REALTOR® Member, the applicant shall satisfy the requirements, and shall supply such information, evidence, and commitments as prescribed in the Policy and Procedures Manual.

B. **Other Memberships.** To qualify to be a Member other than a REALTOR® or Institute Affiliate Member, the applicant shall satisfy the requirements, and shall supply such information, evidence, and commitments as prescribed in the Policy and Procedure Manual.

C. **Provisional Members.** Provided all other qualifications for membership have been satisfied, CAR may grant provisional membership in instances where ethics complaints or arbitration requests or hearings are pending in another board / association or where the applicant has unsatisfied discipline pending in another board / association except for an unfulfilled sanction pending which was imposed by another board / association for violation of the Code of Ethics. CAR may reconsider the provisional membership status of an applicant 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 was approved. Provisional Members shall be considered REALTOR® Members and shall be subject to all of the same privileges and obligations of REALTOR® Members.

D. **Pending Ethics Matter.** If an applicant resigns from another board / association with an ethics complaint or arbitration request pending, CAR may condition the applicant's CAR membership on the applicant's certification that the applicant shall submit to the pending ethics or arbitration proceeding (in accordance with the established procedures and rules of CAR) and will abide by the decision of the hearing panel.

7.3 Membership Decisions.

A. **Review of Application; Provisional Membership.** The Chief Executive Officer or its designee may deny an application for membership if the application is incomplete, the applicant has applied for the wrong class of membership, or granting membership would not be consistent with these Bylaws. 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. **Appeals to the Board of Directors.** If an applicant is denied membership by the Chief Executive Officer or its designee, the applicant may appeal the decision to the Board of Directors pursuant to the procedures set forth in the Policy and Procedure Manual.

C. **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 30 minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional Members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within 120 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

D. **New Member Fair Housing Orientation.** Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete Fair Housing training of not less than two (2) hours 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, IR, NAR, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NAR from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by NAR from time to time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within 120 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

E. **Continuing Member Code of Ethics Training.** Effective January 1, 2019, through December 31, 2021 and for successive three year periods thereafter, each REALTOR® Member of CAR (with the exception of REALTOR® Members granted REALTOR® Emeritus status by NAR) shall be required to complete ethics training of not less than two hours and 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, IR or NAR, which meets the learning objectives and minimum criteria established by NAR 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.

F. **Continuing Fair Housing Training.** Effective January 1, 2025, through December 31, 2027 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by NAR) shall be required to complete Fair Housing training of not less than two (2) hours 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, IR, NAR, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by NAR from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by NAR from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three year cycle commences.

Failure to satisfy the required periodic Fair Housing 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.

G. **Membership Termination**. A Member's membership may be terminated if a REALTOR® Member's license as a real estate broker, broker-salesperson, salesperson, or certified or duly licensed appraiser, has been denied, recalled, revoked, or otherwise terminated by the appropriate licensing authority of the State of Illinois or for any reason and in accordance with the procedures set forth in the Policy and Procedure Manual.

ARTICLE VIII - PRIVILEGES AND OBLIGATIONS

8.1 Privileges of REALTOR® Members.

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

8.2 Disciplinary Actions for Violation of CAR Standards.

Any Member may be reprimanded, fined, placed on probation, suspended, expelled by the Board of Directors, or otherwise disciplined for a violation of these Bylaws, the Policy and Procedure Manual, or the otherwise applicable rules and regulations of CAR, after a hearing, if applicable and required, as provided in the Policy and Procedures Manual or the Code of Ethics and Arbitration Manual. Although Members other than REALTOR® Members may not be subject to the Code of Ethics or its enforcement by CAR, such Members are expected to abide by the principles established in the Code of Ethics and conduct their business and professional practices accordingly. Further, all Members may be subject to discipline for any conduct that, 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 CAR, IR, and / or NAR.

8.3 Disciplinary Action for Violation of Code of Ethics.

Any REALTOR® Member may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual, provided that the discipline imposed is consistent with the

discipline authorized by the Professional Standards Committee of NAR as set forth in the Code of Ethics and Arbitration Manual.

8.4 Resignations.

A. **Indebtedness.** Resignations of Members shall become effective when received by the Chief Executive Officer or the Chief Executive Officer's designee; provided, however, that if any resigning Member is indebted to CAR for dues, fees, fines, or other assessments of CAR or any of CAR's services, departments, divisions, or subsidiaries, the indebtedness shall survive any such resignation and the Board of Directors shall have the authority to condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

B. **Pending Arbitration Matter.** If a Member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by CAR) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former Member was a REALTOR®.

8.5 REALTOR® Members.

A. **General Authority.** Primary and Secondary REALTOR® Members in good standing whose membership has not been terminated for unpaid financial obligations or otherwise shall be entitled to vote and to hold office in CAR.

B. **Use of REALTOR® Term.** Subject to the terms of these Bylaws, including, without limitation, Section 5.3 of these Bylaws, REALTOR® Members may use the terms REALTOR® and REALTORS®.

C. **General Obligations.** REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests, and welfare of CAR and the real estate profession.

D. Suspension or Termination of Principal REALTOR® Members.

1. **Use of REALTOR® Term.** If a REALTOR® Member is a principal in a firm, partnership, or corporation, and is suspended or terminated, 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 of the REALTOR® Member, unless the REALTOR® Member's connection with the firm, partnership or corporation is severed, or all management control is removed or otherwise relinquished. If a REALTOR® Member other than a sole proprietor in a firm, a partner in a partnership, or an officer of a corporation is suspended or terminated, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

2. **Effect on Affiliated Principal.** The membership of all principals, partners or corporate officers shall terminate or suspend, as the case may be, during the period of suspension of the disciplined REALTOR® Member or until readmission of the Member or unless the Member's connection with the firm, partnership, or corporation is severed, or unless all management and control is removed or otherwise relinquished. Removal of the REALTOR® Member from any management control shall be certified to CAR by the suspended or terminated Member and by the individual who is assuming management control. Signatures of such certification shall be notarized. Upon such

certification, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership, or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the disciplined Member regains membership.

3. **Effect on Affiliated Non-Principals.** The membership of REALTOR® Members other than principals who are employed or affiliated as independent contractors with the disciplined Member shall terminate or suspend, as the case may be, during the period of suspension of the disciplined REALTOR® Member or until readmission of the Member or unless the Member's connection with the firm, partnership, or corporation is severed, or unless all management and control is removed or otherwise relinquished, or unless the non-Principal REALTOR® Member elects to sever the non-Principal REALTOR® Member's connection with the REALTOR® Member and affiliate with another REALTOR® Member in good standing.

4. **Continuing Rights.** Nothing in this Subsection 8.5.D shall be construed to preclude a suspended or terminated REALTOR® Member from functioning as an employee or independent contractor, providing no management control is exercised.

E. **Notice of Suspension or Termination.** In any action to suspend or terminate a REALTOR® Member under Subsection 8.5.D of these Bylaws, notice shall be given to all REALTOR® Members employed by or affiliated as independent contractors with the disciplined REALTOR® Member. Such notice shall state, at a minimum, that the provisions of Subsection 8.5.D shall apply; provided, however, that failure to provide the notice set forth in this Subsection shall not invalidate or otherwise affect any action taken pursuant to Subsection 8.5.D of these Bylaws.

8.6 Institute Affiliate, Honorary, Honorary Life, and Hall of Fame Members.

Institute Affiliate, Affiliate, Honorary, Honorary Life, Hall of Fame, and Emeritus Members shall have such rights and privileges and shall be subject to such obligations as may be prescribed by the Board of Directors in compliance with the Constitution and Bylaws of NAR; however, 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 CAR; or to be a Participant in CAR/MLS.

8.7 Harassment.

Any Member will be subject to disciplinary action, including, without limitation, being reprimanded, fined, placed on probation, suspended, expelled, or any other sanction authorized in the Code of Ethics and Arbitration Manual, Policy and Procedure Manual, or these Bylaws for harassment, as defined in the Policy and Procedure Manual, of any CAR employee or Officer, Director, Member, or a third party working on behalf of CAR after an investigation in accordance with the applicable procedures in the Code of Ethics and Arbitration Manual and Policy and Procedure Manual.

8.8 Ensuring the Security of Listed Property.

Members have a duty to ensure that listed property remain secure and shall abide by the rules and obligations to keep property secure set forth in the Policy and Procedure Manual.

ARTICLE IX - PROFESSIONAL STANDARDS

9.1 Code of Ethics and Arbitration Manual.

A. **Enforcement of the Code.** The responsibility CAR and of Members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the Code of Ethics and Arbitration Manual of NAR, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with Illinois law shall be deleted or amended to comply with Illinois law.

B. **Obligation of REALTOR® Members.** It shall be the duty and responsibility of every REALTOR® member of CAR to safeguard and promote the standards, interests, and welfare of CAR and the real estate profession, and to protect against conduct that may cause a lack of public lack of confidence in the real estate profession or in REALTORS®. REALTOR® members also must abide by the governing documents and the policies of CAR, IR, and NAR, as well as the Code of Ethics of NAR, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual.

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

ARTICLE X - DUES AND ASSESSMENTS

10.1 Application Fee.

A. **REALTOR® Member.** 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 CAR upon final approval of the application.

B. **Other Classes of Members.** The application fee, if any, for other Member classifications shall be in such amount as established by the Board of Directors, consistent with the Constitution, Bylaws, and Rules and Regulations of NAR and IR.

10.2 Dues.

A. **Designated REALTOR® Members Dues.** The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in Illinois or a state contiguous thereto or Institute Affiliate members of CAR. In calculating the dues payable to CAR 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 Illinois or a state contiguous thereto, provided the designated REALTOR® notifies CAR 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 CAR.

A REALTOR® member of a Member Board shall be held to be any member who has a place or places of business within Illinois 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 NAR. 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 provided that such licensee is not otherwise included in the computation of dues payable by the principal of the entity.

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

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

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

B. **REALTOR® Members Dues.** The annual dues of REALTOR® members other than the designated REALTOR® shall be as established annually by the Board of Directors.

C. **Institute Affiliate Members Dues.** The annual dues of each Institute Affiliate member shall be as established in Article II of the Bylaws of NAR.

D. **Other Classes of Membership.** The dues of each other Member classification shall be in such amount as established annually by the Board of Directors.

ARTICLE XI - OFFICERS

11.1 Identification and Term.

The officers of CAR shall be a President, President-Elect, and Secretary / Treasurer. The term of each Officer shall commence on October 1, and shall be for one year and until their respective successors are duly elected and qualified. Except as provided in Section 11.3.C.1 and 11.5.C.1 of these Bylaws, the Member serving as President, President-Elect, or Secretary / Treasurer shall be a Primary or Secondary REALTOR® Member who is either (i) a Director at the time of election as an Officer or (ii) served as a Director within the two years preceding the date of election as an Officer (collectively, "Qualified Members"). No Member shall be permitted to hold more than one office at any one time. Nothing herein shall prohibit an individual from serving as an Officer of CAR and an officer of CAR / MLS at the same time.

11.2 President.

A. Ascension.

1. The President-Elect shall ascend to the office of President immediately and automatically upon completion of a term as President-Elect.
2. A Member may not serve more than one consecutive term in the office of President except upon a vote of two-thirds of all Directors and the written assent of the President Elect; provided that even with such approval a Member may not serve for more than two consecutive terms.

B. Powers and Duties. The President shall be the Chair of the Board of Directors and shall have the power and duty to:

1. Preside at all meetings of the Board of Directors;
2. Sign all contracts and other documents and instruments required to be signed by the President;
3. Assign duties to Officers, committees, and task forces of CAR to the extent not inconsistent with these Bylaws;
4. Represent CAR as its President in all matters and on all occasions except to the extent expressly limited by these Bylaws or by the Board of Directors;
5. Perform all other duties commonly pertaining to the office of President;
6. Serve as an ex-officio non-voting member on all CAR committees except for the Nominating Committee, the Grievance Committee and Professional Standards Committee. The President shall not serve on the Grievance Committee or the Professional Standards Committee. The President shall serve as full member of the Nominating Committee pursuant to Section 15.1 of these Bylaws;
7. Perform all other duties as may be prescribed by the Board of Directors.

A. President's Vote. The President shall have the same right to vote on matters brought before the Board of Directors as any other Director.

B. Absence or Inability to Act.

1. **Temporary.** In the event of the President's temporary absence or inability to act, as determined by the Board of Directors, the President-Elect shall, during such temporary absence or inability to act, preside at all meetings of the Board of Directors and perform all duties and exercise all powers within the normal purview of the President, except as otherwise specifically provided by the Board of Directors.

2. **Permanent.** In the event of the permanent absence or inability to act of the President, as determined by the Board of Directors, the President shall immediately resign and the President-Elect shall thereupon assume the office of President for the balance of the unexpired term of the vacant office, at which time the President-Elect shall continue to serve as President for the subsequent election year. If the President does not resign, the President shall be subject to removal (a) pursuant to a Member vote in accordance with the procedures set forth in Section 11.6 of these Bylaws, or (b) by declaration of the Board of Directors that a vacancy in the office of President has occurred. Upon such vote or declaration, the President shall be deemed removed and the President-Elect shall assume the office of President for the balance of the unexpired term of the vacant office, at which time the President-Elect shall continue to serve as President for the subsequent election year.

11.3 President-Elect.

A. **Election.** The President-Elect shall be elected by the outgoing Board of Directors from the immediately preceding election year. At the time of election, the President-Elect must be a Qualified Member and have served at least one year, within the past three years, on the Finance Committee. Except if the President serves a second consecutive term in accordance with 11.2.A, in which case the President-Elect shall remain in office for an additional term, no Member shall serve as or be elected to the Office of President-Elect for more than one consecutive term. The President-Elect shall not serve on the Grievance Committee or the Professional Standards Committee.

B. **Powers and Duties.** The President-Elect shall have and be assigned such powers and duties as the Board of Directors may prescribe.

C. Absence or Inability to Act.

1. **Temporary.** In the event of the President-Elect's temporary absence or inability to act, as determined by the Board of Directors, the Chief Executive Officer shall, during such temporary absence or inability to act, serve as President-Elect and perform all duties and exercise all powers within the normal purview of the President-Elect, except as otherwise specifically provided by the Board of Directors. Under no circumstances shall the Chief Executive Officer become President.

2. **Permanent.** In the event of the permanent absence or inability to act of the President-Elect, as determined by the Board of Directors, the President-Elect shall immediately resign and a Qualified Member chosen by the President, with the advice and consent of the Board of Directors, shall assume the office of President-Elect for the remainder of the unexpired term of the vacant office. If the President-Elect does not resign, the President-Elect shall be subject to removal (a) pursuant to a Member vote in accordance with the procedures set forth in Section 11.6 of these Bylaws, or (b) by declaration of the Board of Directors that a vacancy in the office of President-Elect has occurred. Upon such vote or declaration, the President-Elect shall be deemed removed and a Qualified Member chosen by the President, with the advice and consent of the

Board of Directors, shall assume the office of President-Elect for the balance of the unexpired term of the vacant office.

11.4 Temporary President.

In the event that the Board of Directors determines that both the President and President-Elect are temporarily absent from, or unable to perform the duties of President at, the Board of Directors shall meet and select a Director to serve as Temporary President and to perform the duties and to exercise the powers of the President at such meeting, except as otherwise specifically provided by the Board of Directors.

11.5 Secretary / Treasurer.

A. **Election.** The Secretary / Treasurer shall be elected by the outgoing Board of Directors from the immediately preceding election year and must be nominated for such office by a Director. At the time of election, the Secretary / Treasurer must be a Qualified Member and have served at least one year by the time they take office, within the past three years, on the Finance Committee.

B. **Powers and Duties.** The Secretary / Treasurer shall have such powers and duties as the Board of Directors may prescribe, including, without limitation, the following:

1. **Finance Committee.** The Secretary / Treasurer shall be the Chair of the Finance Committee.

2. **Financial Matters.** With regard to financial matters, the Secretary / Treasurer shall have the power and duty to:

- (a) Oversee and advise the Board of Directors regarding CAR's financial statements and accounting records, the receipt, deposit, and disbursement of all CAR funds, and CAR's accounting, investment, and control systems, policies, and procedures;
- (b) Oversee the maintenance of all of the Secretary / Treasurer's records at the main office of CAR; and
- (c) Perform all other duties prescribed by these Bylaws, applicable law, or the Board of Directors.

3. **Secretarial Matters.** With regard to secretarial matters, the Secretary / Treasurer shall have and be assigned such powers and duties as are set forth in these Bylaws and as the Board of Directors may otherwise prescribe.

C. **Absence or Inability to Act.**

1. **Temporary.** In the event of the Secretary / Treasurer's temporary absence or inability to act, as determined by the Board of Directors, the Chief Executive Officer shall, during such temporary absence or inability to act, serve as Secretary / Treasurer and perform all duties and exercise all powers within the normal purview of the Secretary / Treasurer, except as otherwise specifically provided by the Board of Directors.

2. **Permanent.** In the event of the permanent absence or inability to act of the Secretary / Treasurer, the Secretary / Treasurer shall immediately resign and a Qualified Member chosen by the President, with the advice and consent of the Board of Directors, shall assume the office of Secretary / Treasurer for the remainder of the unexpired term of the vacant office. If the Secretary / Treasurer does not resign, the Secretary / Treasurer shall be subject to removal (a) pursuant to a Member vote in accordance with the procedures set forth in Section 11.6 of these Bylaws, or (b) by declaration of the Board of Directors that a vacancy in the office of Secretary / Treasurer has occurred. Upon such vote or declaration, the Secretary / Treasurer shall be deemed removed and a Qualified Member chosen by the President, with the advice and consent of the Board of Directors, shall assume the office of Secretary / Treasurer for the balance of the unexpired term of the vacant office.

11.6 Removal Upon Member Vote.

Any Officer who fails to resign as set forth in this Article in the event of a permanent absence or inability to act shall be subject, in addition to removal by declaration of the Board of Directors as set forth in this Article, to removal by a Member vote as set forth below:

A. **Petition.** A petition (a "Removal Petition") calling for the removal of the Officer and signed by not less than one-third of the Members or a majority of all Directors shall be filed with the Chief Executive Officer. The Removal Petition shall identify the Officer and the nature of the individual's absence or incapacity that prevents the individual from fulfilling the duties of office.

B. **Special Meeting.** A special meeting of the Members shall be held not less than 20 days nor more than 45 days after receipt of the Removal Petition. Notice of the special meeting shall be given by the Chief Executive Officer to all Members not less than 10 days prior to the meeting. The special meeting shall be conducted by the President, unless the Removal Petition is directed at the President, in which case the next-ranking Officer shall conduct the meeting. The sole business of the special meeting shall be to consider the charge against the Officer, and to decide whether the Officer should be removed. All sides shall have a fair opportunity to present their views on the proposed removal.

C. **Decision.** Upon a vote of three-fourths of the Members present and voting, the officer subject to the Removal Petition shall be removed and replaced as set forth in this Article.

ARTICLE XII - BOARD OF DIRECTORS

12.1 General Powers.

The management and governing body of CAR shall be the Board of Directors. Until the new Board of Directors is sworn in in 2027, the Board of Directors shall consist of 20 Directors as set forth in this Article. Beginning when the new Board of Directors takes the oath of office in 2027, and until the Board of Directors seated in 2028 takes the oath of office, the Board of Directors shall consist of 16 Directors. Beginning when the new Board of Directors takes the oath of office in 2028, the Board of Directors shall consist of 15 Directors. Unless otherwise specifically set forth in these Bylaws, all authorized actions of the Board of Directors shall be final and shall not require the approval of the Members in order to be valid. As may be determined by the Board of Directors, it shall be the duty of the Officers and Directors to serve and function, by virtue of their respective positions, as the officers and / or directors of CAR's affiliated entities.

12.2 Directors.

A. **Officer Directors (3).** The President, President-Elect, and Secretary / Treasurer shall be Directors by reason of their holding their respective offices ("Officer Directors").

B. **Immediate Past President (1).** The President shall, immediately and automatically upon expiration of the President's term, be referred to as the Immediate Past President and shall automatically be a Director for the immediately succeeding year. No Member other than a Primary or Secondary REALTOR® Member shall serve as the Immediate Past President.

C. At-Large Directors.

1. **Description and Qualifications.** There shall be 11 Directors elected at-large until the new Board of Directors takes the oath of office in 2027. Beginning with the election held in 2027, the number of Directors elected at-large shall be reduced in stages as set forth in Section 12.2 C(3) below, until the Board of Directors consists of eight Directors elected at-large ("At-Large Directors"). No Member other than a Primary or Secondary REALTOR® Member shall serve as an At-Large Director until the new Board of Directors takes the oath of office in 2027. Beginning when the new Board of Directors takes the oath of office in 2027, up to one At-Large Director may be an Affiliate Member, which Affiliate Member shall have full voting rights on all Board of Director matters except those matters in which the Affiliate Member is prohibited from voting by NAR policy, such as on professional standards matters. No Member shall be eligible to serve as an At-Large Director unless they satisfy the qualifications set forth in the Policy and Procedure Manual. The election of the At-Large Directors shall satisfy and be in compliance with all regional diversity requirements set forth in the Policy and Procedure Manual, if any.

2. **Term.** At-Large Directors shall be elected for staggered two-year terms.

3. **Transition.** Notwithstanding Section 12.2 C(2) above, the reduction of At-Large Directors from eleven to eight shall occur in two stages as follows:

- A. At the election held in 2027, only four At-Large Directors shall be elected to fill the seats of the At-Large Directors whose terms expire in 2027. The four At-Large Directors so elected shall serve two-year terms expiring in 2029.
- B. At the election held in 2028, only four At-Large Directors shall be elected to fill the seats of the At-Large Directors whose terms expire in 2028. The four At-Large Directors so elected shall serve two-year terms expiring in 2030.
- C. From and after the 2028 election, the At-Large Directors shall consist of two groups of four Directors each, serving staggered two-year terms, for a total of eight At-Large Directors.
- D. During the period between the 2027 election and the 2028 election, the Board of Directors shall temporarily include nine At-Large Directors: four elected in 2027 and five whose terms continue from the election held in 2026.

D. **Public Policy Coordinating Committee Director (1).**

1. **Description.** The Chair of the Public Policy Coordinating Committee shall automatically be a Director by reason of holding such office ("Public Policy Coordinating Committee Director").

2. **Term.** The Public Policy Coordinating Committee Director shall serve for a one year term coterminous with the Director's term as Public Policy Coordinating Committee Chair, or until a successor is duly elected and qualified.

E. **Commercial Forum Committee Director (1).**

1. **Description.** The Chair of the Commercial Forum Committee shall automatically be a Director by reason of holding such office ("Commercial Forum Director").

2. **Term.** The Commercial Forum Committee Director shall serve for a one year term coterminous with the Director's term as Commercial Forum Committee Chair, or until a successor is duly elected and qualified.

F. **P-E Directors.**

1. **Description.** Until the new Board of Directors takes the oath of office in 2027, there shall be three Directors from the Chicago business community ("P-E Director"). One of the P-E Directors shall be an Affiliate Member, who shall not vote. Two of the P-E Directors shall be REALTOR® Members and shall be voting members of the Board of Directors. The candidates for P-E Directors shall be selected by the President-Elect and added to the slate of candidates to be voted upon by the Board of Directors at the same meeting in June as the other candidates for the Board of Directors pursuant to Section 13.2.B.

Beginning when the new Board of Directors takes the oath of office in 2027, there shall be one P-E Director who shall be a REALTOR® Member and shall be a voting member of the Board of Directors. The candidate for the P-E Director shall be selected by the President-Elect and added to the slate of candidates to be voted upon by the Board of Directors at the same meeting in June as the other candidates for the Board of Directors pursuant to Section 13.2.B.

2. **Term.** The term of the P-E Directors shall commence on October 1 and shall be for one year or until a successor is duly selected and qualified.

G. **Authority to Add Additional Board Members.** In the event that the Association acquires or merges with another association, the Board of Directors may expand the number of At-Large Directors without amending these Bylaws by no more than three seats, which seats shall be filled by REALTOR® Members of the association that has been acquired or is merging into the Association, for a period not to exceed two years, at which time, the number of At-Large Directors shall automatically return to eight At-large Directors.

12.3 Absence or Inability to Act.

A. Resignation.

1. In the event of a resignation or the permanent absence or inability to act of any Director other than Officer Directors or the Immediate Past President, as determined by the Board of Directors the Director at issue shall immediately resign, and the President shall appoint, with the advice and consent of the Board of Directors, any Primary or Secondary REALTOR® Member to assume the vacated Director position for the balance of the unexpired term of the vacant position.
2. In the event of a resignation or the permanent absence or inability to act of the Immediate Past President, as determined by the Board of Directors, the Immediate Past President shall immediately resign, and the Primary or Secondary REALTOR® Member who most recently served as the Immediate Past President shall assume the vacated Immediate Past President position for the balance of the unexpired term of the vacant position.

B. Removal. Any Director other than an Officer Director who fails or refuses to resign, shall be subject to removal by declaration of the Board of Directors that a vacancy in the Director position has occurred. Upon such declaration, the Director shall be deemed removed and the President shall appoint, with the advice and consent of the Board of Directors, any Primary or Secondary REALTOR® Member to assume the vacated Director position for the balance of the unexpired term of the vacant position, or if the vacated position is the Immediate Past President, the office of the Immediate Past President shall be filled in the manner set forth in Subsection 12.3.A.2 of these Bylaws. In the alternative, any Director other than an Automatic Director who fails or refuses to resign shall also be subject to removal by Member vote as set forth below:

1. **Petition.** A petition (a "Removal Petition") calling for the removal of the Director and signed by not less than one-third of the Members or a majority of all Directors shall be filed with the Chief Executive Officer. The Removal Petition shall identify the Director and the nature of the individual's absence or incapacity that prevents the individual from fulfilling the duties of their position.

2. **Special Meeting.** A special meeting of the Members shall be held not less than 20 days nor more than 45 days after receipt of the Removal Petition. Notice of the special meeting shall be given by the Chief Executive Officer to all Members not less than 10 days prior to the meeting. The special meeting shall be conducted by the President. The sole business of the special meeting shall be to consider the charge against the Director, and to decide whether the Director should be removed. All sides shall have a fair opportunity to present their views on the proposed removal.

3. **Decision.** Upon a vote of three-fourths of the Members present and voting, the Director subject to the Removal Petition shall be removed from their respective position, and the President shall appoint, with the advice and consent of the Board of Directors, any Primary or Secondary REALTOR® Member to assume the vacated Director position for the balance of the unexpired term of the vacant position.

12.4 Other Vacancies.

In the event an Officer or Director is no longer a Member of, or eligible for membership in, CAR from the class of membership from which such Officer or Director was elected or appointed, or in the event the Officer or Director changes business affiliation or association or otherwise materially alters the condition under which they were elected or appointed, there shall be an automatic vacancy created thereby. Such vacancy shall be declared by notice of the Chief Executive Officer to the Board of Directors with a copy to the Officer or Director at issue. The President shall thereafter appoint, with the advice and consent of the Board of Directors, any Primary (or Secondary) REALTOR® Member to assume the vacated position for the balance of the unexpired term of the vacant position.

ARTICLE XIII - ELECTION OF OFFICERS AND DIRECTORS

13.1 Election of Officers.

The Board of Directors shall meet each April and elect a President-Elect and Secretary /Treasurer to serve a term to commence on October 1 of that year.

13.2 Election of Directors.

A. Nominating Committee.

1. **Selection of Chair.** No later than February of each year, the President shall select, with the advice and consent of the Board of Directors, a REALTOR® Member to serve as Chair of the Nominating Committee. Neither the current President-Elect or the Member elected to serve as the next President-Elect pursuant to Section 13.1 of these Bylaws shall serve as Chair of the Nominating Committee.

2. **Nominating Committee Members.** The Nominating Committee shall be comprised of 13 members, as follows: (i) the Chair of the Nominating Committee; (ii) the President; (iii) the President-Elect; (iv) the Secretary / Treasurer; (v) the Secretary / Treasurer-Elect pursuant to Section 13.1 of these Bylaws; (vi) three past presidents of CAR or of any of CAR's predecessor entities; and (vii) five at-large REALTOR® Members.

3. **Selection of Nominating Committee Members.** After the selection of the Nominating Committee Chair, the President, the President-Elect, and Nominating Committee Chair shall appoint, with the advice and consent of the Board of Directors, no later than April of each year, the three past presidents of CAR or of any of CAR's predecessor entities, and the five at-large REALTOR® Members, which at-large Members shall be selected to further the policy of ensuring that all specialties and professional interests within CAR are sufficiently represented on the Committee. The three past presidents of CAR or of any of CAR's predecessor entities, and the five at-large REALTOR® Members, may not be from the same firm as any other member of the Nominating Committee at the time of appointment. Any vacancy on the Nominating Committee shall be filled by appointment by the President.

4. **Slating of Directors.** Each May, the thirteen members of the Nominating Committee shall meet to select a slate of candidates to serve as the non-Automatic Directors. Members desiring to apply to serve as a Director may submit an application to the Chief Executive Officer or its designee, which application shall be provided to the Nominating Committee. The Nominating Committee may not slate one of

its members to serve as a Director. In slating Members to serve as Directors, the Nominating Committee shall seek to approve a slate of candidates whose election would further the policy of ensuring that all specialties and professional interests within CAR are sufficiently represented on the Board of Directors.

B. **Election of Non-Automatic Directors.** The Chair of the Nominating Committee shall present the Board of Directors the Nominating Committee's slate of nominated non-Automatic Directors at a meeting in June. The Board of Directors shall vote on each candidate on the slate, which vote may be taken in an omnibus fashion, and a candidate shall be elected to serve as a Director for the term to commence on October 1 of that year provided that the candidate receives a majority vote of the Board of Directors. In the event that the Board of Directors does not elect a candidate on the Nominating Committee's slate, the Board of Directors may elect by majority vote another Member that satisfies the applicable requirements in Article XII of these Bylaws.

ARTICLE XIV - ADMINISTRATIVE STAFF OF CAR

14.1 Administrative Staff.

The administrative staff of CAR shall consist of the Chief Executive Officer, as duly appointed pursuant to this Article, and such other personnel as may from time to time be employed or retained by the Chief Executive Officer on behalf of CAR.

14.2 Chief Executive Officer.

A. **Appointment.** The Chief Executive Officer shall be employed and appointed by the Board of Directors for such term and pursuant to such terms and conditions as the Board of Directors and the Chief Executive Officer shall mutually agree. The Chief Executive Officer shall be appointed solely on the basis of demonstrated management, executive, and administrative qualifications and skill. The Chief Executive Officer shall take direction from, report to, and be supervised by the Board of Directors and the Executive Committee. In the event of a conflict between the supervision and direction of the Board of Directors and the supervision and direction of the Executive Committee, the supervision and direction of the Board of Directors shall control to the extent of any such conflict.

B. **Duties.** The Chief Executive Officer shall be the chief administrative officer of CAR and shall be responsible for the efficient management, execution, and administration of all of the business and affairs of CAR as authorized and directed by the Board of Directors and as set forth in the Policy and Procedure Manual.

C. **Absence or Inability; Incapacity.** In the event the Chief Executive Officer is temporarily absent or unable to act or perform the duties of Chief Executive Officer, the Chief Executive Officer duties will be assigned pursuant to the procedures set forth in the Policy and Procedure Manual.

14.3 Other Personnel.

Any and all other supervisory, administrative, and operating employees of CAR, other than the Chief Executive Officer, shall be under the supervision and direction of the Chief Executive Officer.

ARTICLE XV - GENERAL COUNSEL

15.1 Appointment.

General Counsel shall be appointed by the Board of Directors. The General Counsel shall be appointed for an indefinite term and solely on the basis of demonstrated legal ability and qualifications, with special weight given to actual training and experience in, and knowledge of, real estate, association, corporate, and government law and practice.

15.2 Removal.

The General Counsel shall serve at the pleasure of the Board of Directors and may be removed without cause by the Board of Directors at any time. The action of the Board of Directors in removing the General Counsel shall be final.

15.3 Duties.

The General Counsel shall be CAR's chief legal officer and principal legal adviser and shall, subject to proper direction pursuant to Section 15.4 of these Bylaws, provide legal advice and represent CAR on legal matters related to CAR's business and affairs.

15.4 Oversight and Control.

The General Counsel shall be under the ongoing supervision of the Chief Executive Officer and the Executive Committee. The only persons authorized to contact, assign work to, or seek legal opinions from, the General Counsel are (1) the Chief Executive Officer, or their designee, (2) the President, or their designee, and (3) a Member, provided that such member has been duly designated by a majority of the members of the Executive Committee at a regular or special meeting of the Executive Committee.

ARTICLE XVI - MEETINGS

16.1 Board of Directors and Executive Committee.

A. **Regular Meeting.** The place, dates, and times of all regular meetings of the Board of Directors and the Executive Committee shall be set and noticed as the Board of Directors and the Executive Committee, respectively, may designate. Absence from two regular meetings without an excused absence, or three total absences, shall be construed as resignation of the absent Director.

B. **Special Meeting.** Special meetings of the Board of Directors may be called by the President or by any five Directors, by giving two days written notice to each Director unless there is an emergency, in which case written notice shall be given to each Director as soon as practical. Special meetings of the Executive Committee may be called by the President by giving two days written notice to each Director unless there is an emergency, in which case written notice shall be given to each Director as soon as practical. Any special meeting of the Board or of the Executive Committee may be recessed or adjourned from time to time. All notices for special meetings shall be accompanied by a statement of the purpose of the meeting.

C. **Quorum.** A quorum of the Board of Directors shall consist of a majority of the Directors. No business of the Board of Directors shall be conducted in the absence of a quorum. A quorum of the Executive Committee shall consist of a majority of the members of the

Executive Committee. No business of the Executive Committee shall be conducted in the absence of a quorum.

D. **Voting.** Except as otherwise specifically provided in these Bylaws, action on any matter brought before a meeting of the Board of Directors at which a quorum is present may be taken by the affirmative vote of a majority of the Directors present at such meeting.

E. **Notice of Meetings.** Written notice shall be given to every Member entitled to participate in a regular meeting at least 5 business days preceding all meetings.

16.2 Members.

A. **Regular Meeting.** The place, date, and times of all regular meetings of the Members shall be set as the Board of Directors may designate. Notice of regular Member meetings shall be given to every Member entitled to participate in the meeting at least five business days prior to any regular Member meeting.

B. **Special Meeting.** Special meetings of Members may be called at any time by the President or by two percent of the REALTOR® Members by giving 5 business days' notice to each REALTOR® Member. At any such meeting, no subject shall be considered other than the subject for which the meeting is called, except as otherwise provided in these Bylaws.

C. **Annual Meeting.** The annual meeting of CAR shall be held during the last quarter of the fiscal year as determined by the Board of Directors.

D. **Quorum.** If proper notice has been provided for a meeting as described in Sections A & B hereof, those REALTOR® Members in attendance at such meeting shall be deemed to affect a quorum for purposes of conducting the business of the meeting.

E. **Voting.** Except as otherwise specifically provided in these Bylaws, action on any matter brought before a meeting of the Members at a which a quorum is present may be taken by the affirmative vote of a majority of the Members present at such meeting; provided, however, if authorized by the Board of Directors, Members may be permitted to vote by mail or by proxy in a form provided that they do so in compliance with such rules and regulations, as the Board of Directors may prescribe.

ARTICLE XVII - COMMITTEES

17.1 Purpose.

The Board of Directors has determined that the committee structure will be, in many situations, the most efficient and productive way for the Board of Directors to carry out its duties and responsibilities.

17.2 Standing Committees.

A. **Establishment.** The following standing committees of CAR are hereby established:

1. Audit Committee
2. Executive Committee
3. Finance Committee

4. Nominating Committee
5. Professional Standards Committee

B. **Membership and Duties.** Except as otherwise specified in these Bylaws, with regard to the Executive Committee and the Nominating Committee as set forth below, the Chair, membership, and duties, of all standing committees shall be as determined from time to time by the President, with the approval of the Board of Directors.

C. **Executive Committee.** Each Member of the Executive Committee shall be a member of the Board of Directors. The Executive Committee shall consist of the President, the President-Elect, the Secretary / Treasurer, the Immediate Past President and one REALTOR® Member chosen by the President. The President shall be the Chair of the Executive Committee.

D. **Nominating Committee.** The Chair, membership, and duties of the Nominating Committee shall be as set forth in Article XIII of these Bylaws.

E. **Professional Standards Committee.** Members of the Professional Standards Committee shall be REALTOR® Members in good standing, and shall serve three-year staggered terms.

F. **Committee Chair.** The Chair of each Standing Committee shall serve for one year after election or appointment of the President and with the approval of the Board of Directors. The Chair shall be a primary, or secondary, REALTOR® Member in good-standing and shall be notified of and responsible for all ongoing projects. Any Chair must have a minimum of one term of current committee service at the time they assume the position as Chair, as specified in the Policy and Procedure Manual. The Chair will report to the Board of Directors on a regular basis, either in person or by written report. The Chair may be requested, from time to time, to appear personally before the Board of Directors.

17.3 Special Committees.

The President may establish such special committees as the President deems appropriate with the approval of the Board of Directors. The Chair, membership, and duties of each special committee shall be specified by the President at the time the committee is established and may be modified by the President from time to time thereafter.

17.4 Attendance.

Notwithstanding anything in these Bylaws to the contrary, absence from two regular meetings of a committee without an excuse deemed valid by the Chair of the committee, or three total absences, shall be deemed a resignation from the committee.

ARTICLE XVIII - MULTIPLE LISTING SERVICE

Any real estate professional holding a current, valid real estate license by an appropriate state regulatory agency in Illinois or in another state 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, and any professional licensed or certified by an appropriate state regulatory agency in Illinois or in another state to engage in the

appraisal of real property, shall be eligible to participate in the multiple listing service affiliated with CAR (MLS) upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. Use of information developed by or published by the MLS 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 the MLS where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm cooperates 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 represent buyers or tenants in purchases or leasing properties of the type listed on the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

The key is that the participant or potential participant actively endeavors to cooperate with respect to properties of the type that are listed on the MLS in which participation is sought. Cooperating is the obligation to share information on listed property and/or to represent buyers or tenants in purchasing or leasing properties of the type listed on the MLS. This requirement does not permit the 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 cooperate. The MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to cooperate 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.

ARTICLE XIX - MISCELLANEOUS

19.1 Fiscal Year.

The fiscal year of CAR shall be October 1 to September 30 of each year, unless otherwise designated by the Board of Directors.

19.2 Rules of Order.

Robert Rules of Order, latest edition, shall generally be recognized as the authority governing the meetings of CAR, the Board of Directors, and committees, so long as its provisions do not conflict with these Bylaws.

19.3 Notices.

The procedures for notices required to be delivered to Members, CAR, or any CAR employee, Department, Officer, or Director shall set forth in the Policy and Procedure Manual.

ARTICLE XX - AMENDMENTS

20.1 Amendments.

These Bylaws may be amended by: (i) the Board of Directors, without a vote by the Members, at any regular or special meeting, if the proposed amendments are mandated by NAR or required or to be consistent with a change of law, including, without limitation, changes to the Illinois General Not For Profit Corporation Act of 1986 (805 ILCS 105/101.01 et seq.); or (ii) by a majority vote of Members present at any Member meeting, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting.

20.2 Effective Date.

All amendments shall become effective immediately upon their adoption pursuant to these Bylaws; provided, however, that amendments affecting the admission or qualification of REALTOR® Members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of CAR, shall not take effect once adopted until they have been approved by NAR.

ARTICLE XXI - DISSOLUTION

In the event CAR terminate its activities and dissolve, the Board of Directors shall consider and adopt a plan of liquidation and dissolution, which plan shall, among other things, provide for collection of all CAR assets, the sale or other proper disposition of any real and personal property owned by CAR, the payment of all liabilities, and the distribution of any remaining assets to the IR or to such other non-profit tax exempt organization or organizations as the Board of Directors shall decide.

ARTICLE XXII - INDEMNIFICATION AND INSURANCE

22.1 General Indemnification.

CAR shall 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 CAR) by reason of the fact that that person is or was a Director, Officer, employee or agent of CAR, or is or was serving at the request of CAR as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for any expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of CAR and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea nolo contendere or its equivalent, shall not alone create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in, or not opposed to, the best interests of CAR, or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that their conduct was unlawful. The procedures for indemnification pursuant to this Section shall be set forth in the Policy and Procedure Manual.

22.2 CAR Actions.

CAR shall 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 CAR to procure a judgment in its favor by reason of the fact that such person is or was a Director, Officer, employee or agent of CAR, or is or was serving at the request of CAR 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 such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of CAR, provided 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 their duty to CAR 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. The procedures for indemnification pursuant to this Section shall be set forth in the Policy and Procedure Manual.

22.3 Case-By-Case Determination.

Any indemnification under Sections 22.1 or 22.2 of these Bylaws (unless ordered by a court) shall be made by CAR only as authorized in the specific case, upon a determination that indemnification of the Director, Officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 22.1 or 22.2 of these Bylaws. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of Directors not parties to such action, suit or proceeding; (ii) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (iii) by the members entitled to vote, if any.

22.4 Insurance.

CAR may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of CAR, or who is or was serving at the request of CAR as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability whether or not CAR would have the power to indemnify such person against such liability under the provisions of this Article.