

Bylaws of the Residential Real Estate Council of the NATIONAL ASSOCIATION OF REALTORS®

Article I

Name and Offices

Section 1.1 Name

The name of the organization shall be the Residential Real Estate Council ("Council") of the NATIONAL ASSOCIATION OF REALTORS®.

Section 1.2 Offices

The Council shall maintain a registered office in the State of Illinois and a registered agent at such office. The Council may have other offices within or outside the state as determined by the Board of Directors.

Section 1.3 Affiliation

The Council shall be affiliated with the NATIONAL ASSOCIATION OF REALTORS®, and as such subject to the rights and responsibilities of an affiliate of the NATIONAL ASSOCIATION OF REALTORS®.

Article II

Purpose and Mission

Section 2.1 Purpose

The purpose of the Council is to enhance the professional competency of the member of the NATIONAL ASSOCIATION OF REALTORS® through the presentation of high quality educational programs.

Section 2.2 Mission

To empower real estate professionals to reach their full potential through education, networking, referrals and business resources.

Section 2.3 Vision

To be the premier business development organization for REALTORS® and international real estate professionals.

Article III

Membership

Section 3.1 Membership

The Council shall have one or more types of members, as shall be determined from time to time by the Board of Directors. The membership in the Council shall be granted to those individuals who

3.1.1 Hold some form of membership in a member board of, or an individual membership in the NATIONAL ASSOCIATION OF REALTORS®, unless no form of membership is available or necessary for such individuals under the policies of the NATIONAL ASSOCIATION OF REALTORS®;

3.1.2 Subscribe to the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and the Bylaws, Code of Professional Ethics, and the professional pledge of the Council (if any).

Section 3.2 Types of Membership

The Council shall have five (5) types of membership:

3.2.1 Affiliate: A person who is in sympathy with the goals and purpose of the Council, who does not hold active REALTOR® or REALTOR Associate® membership.

3.2.2 Candidate: A real estate professional who is a REALTOR® or REALTOR Associate® member but who does not hold the CRS Designation.

3.2.3 Designee: A real estate professional who holds a REALTOR® or REALTOR Associate® membership and holds the CRS Designation.

3.2.4 Honorary: A person who is not actively engaged in the real estate business but who has provided extraordinary service over time to the real estate industry and the Council.

3.2.5 International: A real estate professional who resides outside of the United States, its insular possessions, the Commonwealth of Puerto Rico, or Canada.

Section 3.3 Rights and Responsibilities of Members

Members of the Council shall have such rights and responsibilities as may be approved from time to time by the Board of Directors.

3.3.1 All members shall keep applicable dues current.

3.3.2 Each member, except for Affiliates and Honorary Members, shall be entitled to one vote on each matter submitted to a vote of the members.

3.3.3 Members entitled to vote shall annually elect the First Vice President and at-large Board of directors of the Council. The election will be held by electronic or digital means. A minimum of one hundred members must vote for the election results to be valid.

3.3.4 Only members of the Council shall be allowed to hold the designation, Certified Residential Specialist, ("CRS") awarded by the Council, which designation shall be indicium of membership in the Council.

3.3.5 The current President and Past Presidents of the Council shall be lifetime members and not required to pay dues.

Section 3.4 Application

Application for membership shall be accompanied by the then applicable dues and fees for the relevant type of membership

Section 3.5 Dues, Fees, and Assessments

Dues, fees and assessments for each member and the time for payment of such shall be determined by the Board of Directors.

Section 3.6 Nonpayment

Members who fail to pay their dues, fees, and assessments within a time period specified by the Board of Directors may be dropped from the rolls and thereupon forfeit all rights and privileges of membership.

Section 3.7 Suspension and Expulsion

Any member who violates the Bylaw, Council Policies and Procedures, Council Standards of Conduct, or any lawful rule or practice duly adopted by the Council, or NATIONAL ASSOCIATION OF REALTORS® Code of Ethics or any other conduct prejudicial to the best interests of the Council may be suspended or expelled from the membership in the Council under the procedures set forth in the Council Policy and Procedures Manual.

Section 3.8 Reinstatement of Membership

A former member may be reinstated upon reapplication and payment of the current year's dues and reinstatement fees in accordance with such regulations as the Board of Directors may adopt.

Section 3.9 Annual Membership Update

An annual membership update shall be held each year at the annual meeting for the purpose of updating members on the state of the Council.

Article IV

Board of Directors

Section 4.1 Powers and Duties

Responsibility and authority for the oversight and control of the properties, funds, and activities of the Council shall be vested in a Board of Directors as the governing Board of the organization. The Board of Directors also:

- (a) Shall have authority and responsibility for establishing objectives and assigning responsibility for the programs and activities of the Council.
- (b) Shall have authority to initiate, formulate, and adopt statements of official policy for the Council.
- (c) Shall have authority to establish, alter or amend, as required, rules, policies and procedures governing the proceedings and meetings of the Board of Directors which are not inconsistent with the Council's Bylaws; or Constitution, Bylaws or policies of the NATIONAL ASSOCIATION OF REALTORS®.
- (d) Shall have authority to establish, dissolve, and determine the size and responsibilities of all committees, divisions, workgroups and taskforces other than committees specified by the Bylaws.
- (e) Shall have authority and responsibility for other duties and functions customarily incumbent upon the governing Board of a corporation, or enumerated in the Bylaws, or imposed by law.
- (f) Shall have the authority to select, retain, support and discharge the Chief Executive Officer.
- (g) Shall have the authority to determine annual membership dues.

Section 4.2 Composition

The Board of Directors shall consist of the Officers of the Council (President, President Elect, First Vice President, and Immediate Past President) four at-large Board of Directors and one outside Board of Director. Board of Directors at-large and the outside Board of Director shall not serve consecutive terms. The Council's Chief Executive Officer serves as an ex-officio, non-voting member of the Board of Directors.

Section 4.3 Qualification

Directors shall be committed to supporting and advancing the vision and mission of the Council. With the exception of one outside member, all directors must maintain active membership in the NATIONAL ASSOCIATION OF REALTORS® and hold Certified Residential Specialist (CRS) Designee status.

Directors cannot be employees of the Council.

Section 4.4 Nomination

Candidates for election as Board of Directors shall be vetted by the Leadership Development Committee. Leadership Development Committee shall prepare a list of two candidates for every at-large Board of Directors position available. The Leadership Development Committee shall prepare a list of candidates to present to the Board of Directors for review with a membership vote scheduled in May of each year. Candidate for election as outside Board of Director shall be nominated by the Leadership Development Committee and approved by the Board of Directors.

Section 4.5 Election and Term of Office

At-large Board of Directors shall be elected by membership and shall serve a two (2) year term. The membership vote will be held annually in May with the votes to be cast electronically. The open positions for the at-large Board of Directors will be filled by the candidates receiving the most votes. All ties will be broken by lot. The Board of Directors shall elect one outside Board of Director every other year to serve a two (2) year term. The elections are subject to review and approval as to regularity by the Board of Directors. The term shall begin on the first day of the calendar year following the meeting or vote at which the director was elected and end on the last day of the calendar year or until the position is filled.

Section 4.6 Meetings and Quorum

There shall be two meetings of the Board of Directors each year, which shall be held whenever possible, at the same time and place as the annual meetings of the NATIONAL ASSOCIATION OF REALTORS®. Special meetings may be scheduled as needed and held either in person, via telephone conferencing or online forum and may be called by the President or at the request of two (2) members of the Board of Directors. At all meetings of the Board of Directors, the majority of the total number of members of the Board of Directors shall constitute a quorum.

Section 4.7 Notice of Meetings

The notice or waiver of notice of any meeting of the Board of Directors need not specify the business to be transacted at or the purpose of such meeting unless specifically required by law or these Bylaws. Notice of any special meeting of the Board of Directors shall be given at least fifteen (15) days prior notice in advance of the meeting unless the majority of the Board of Directors waive the fifteen (15) day requirement. Unless otherwise prohibited by law, notice delivered pursuant to these bylaws may be transmitted by electronic mail or other means permitted by law.

Section 4.8 Manner of Action

An act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, or these Bylaws. Meetings may be held in person or by other means through which all Directors participating can communicate with each other.

Section 4.9 Action without Meetings

Any action or approval which may be taken at a meeting may be taken in writing by electronic mail or other means permitted by law, provided that each Director must vote, and the vote must be unanimous to pass.

Section 4.10 Resignation or Removal

Any member of the Board of Directors may resign at any time by giving written notice to the Chief Executive Officer. Such resignation shall take effect at the time specified, or, if no time is specified, at the time of acceptance as determined by the President or the Board. Any member of the Board of Directors may be removed by a majority vote of the Board of Directors in accordance with such regulations as may be established by the Board of Directors. A Director who fails to attend two meetings of the Board of Directors each year shall be deemed to have resigned, except that the Board of Directors may retain such member for good cause shown.

Section 4.11 Vacancies

Any vacancy occurring in the Board of Directors for any reason or any position to be filled by reason of an increase in the number of members of the Board of Directors shall be filled in the same manner in which the position was originally filled in accordance with these Bylaws. A member of the Board of Directors elected or appointed to fill a vacancy shall serve for the unexpired term of the predecessor or until a successor is duly selected and qualified.

Article V Officers

Section 5.1 Composition

The officers of the Council shall be the President, the President Elect, the First Vice President, and the Immediate Past President. Officers must maintain active membership in the NATIONAL ASSOCIATION OF REALTORS® and hold Certified Residential Specialist (CRS) Designee status. No more than one officer may derive an ongoing income, directly or indirectly, from a business relationship with the Council, including but not limited to certified instructors, vendors and course sponsors. Employees of the Council may not serve in an officer role.

Section 5.2 Duties

The powers and duties of the officers of the Council shall be those specified in the Bylaws or by the Board of Directors to the extent not provided for in the Bylaws.

- (a) Subject to the direction and control of the Board of Directors, the President shall serve as the Chairman of the Council's Board of Directors; shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which the responsibility is assigned to some other person by the Board of Directors; and shall perform

such other duties as are assigned by these Bylaws or by the Board of Directors. The President shall make committee, division, workgroup, and task force appointments as necessary.

- (b) The President Elect shall assume the duties of the President in the temporary absence of the President, shall serve as Vice Chair of the Finance Committee, and shall perform such other duties as prescribed by these Bylaws or by the Board of Directors. The President Elect shall automatically succeed to the presidency for the next term.
- (c) The First Vice President shall serve as Chair of the Finance Committee. The First Vice President shall perform such other duties as are assigned by these Bylaws or the Board of Directors.
- (d) The Immediate Past President shall serve as Chair of the Leadership Development Committee.
- (e) There shall be a Chief Executive Officer (CEO), who shall be the chief administrative officer of the Council running the business of the Council, subject to the direction of the President and Board of Directors. The CEO shall act as a duly authorized representative of the Council in all matters in which the Board of Directors has not formally designated some other person to so act. The CEO shall perform such other duties as may be assigned by the Board of Directors. The CEO shall serve on the Board of Directors as ex-officio without vote.

Section 5.3 Election and Term of Officers

Membership will elect annually the First Vice President to serve a one (1) year term with automatic succession to the offices of President Elect, President and Immediate Past President for one (1) year terms each. Elected officers serve for a term of one year and until a successor is elected and qualified. The elective year shall begin the first day of the calendar year following the vote at which an officer was elected and end on the last day of the calendar year.

The candidate receiving the most votes shall be elected to the position of First Vice President. In case of a tie the winner shall be determined by lot.

The election is subject to review and approval as to regularity by the Board of Directors.

Section 5.4 Resignation and Removal of Officers

Any officer may resign at any time by giving written notice to the Chief Executive Officer. Such resignation shall take effect at the time specified, or, if no time is specified, at the time of acceptance as determined by the President or the Board of Directors. Any officer may be removed by a vote equal to 2/3 of the entire Board of Directors whenever in its judgment the best interests of the Council would be served. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5.5 Vacancies

In case of an officer vacancy other than President, which shall be filled for the unexpired term by the President Elect, any other officer vacancy shall be filled in the same manner in which the position was originally filled. In the event the President Elect must fill the unexpired term of the President, that President Elect may also fulfill his/her own term as President.

Article VI

6.1 Standing Committees

The Standing Committees of the Council shall be the Finance Committee and Leadership Development Committee.

6.1.2 Finance Committee

The Finance Committee shall consist of the President, President Elect, First Vice President, and Immediate Past President, all serving one-year terms. The First Vice President shall serve as Chair and the President Elect shall serve as Vice Chair. In addition, five at-large members will be appointed by the President and President Elect to serve 2-year staggered terms.

The Finance Committee shall be responsible for the development of financial policies for the Council, development of criteria for decision-making and policy development criteria for recommendations that have budgetary impacts. The committee shall be responsible for oversight of the work of any public accountant or public accounting firm engaged by the Council for the purpose of preparing or issuing an audit report or related work.

6.1.3 Leadership Development Committee

The Leadership Development Committee shall consist of the First Vice President, the Immediate Past President who shall serve as Chair of the Committee, and seven at-large members who shall serve two-year staggered terms. Members of the Committee may not serve consecutive terms. The at-large members shall be recommended by the Leadership Development Committee to the Board of Directors and approved by the Board of Directors beginning with the 2017 annual board meeting and each year thereafter at the annual board meeting.

The Leadership Development Committee shall be responsible for determining the selection criteria, vetting credentials and preparing a list of candidates for First Vice President and at-large Board of Directors open positions. Annually, the Leadership Development Committee shall nominate two candidates for each at-large Board of Director open position and two candidates for the position of First Vice President. All nominees shall be forwarded to the Board of Directors for review prior to the membership election.

Every other year the Leadership Committee shall select one candidate for the position of outside Board of Director and shall forward nominated candidate to the Board of Directors for approval.

The Leadership Development Committee shall be responsible for selecting candidates for all open positions on the Leadership Development Committee. All nominees shall be forwarded to the Board of Directors for approval.

Section 6.2 Term

The Standing Committee members shall assume their responsibilities beginning on the first day of the calendar year immediately following their election or appointment.

Section 6.3 Meetings and Quorum

The Standing Committees shall meet in accordance with the schedule set forth by the Board of Directors unless otherwise posted. Meetings may be held either in person, via telephone conferencing, or online. A majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 6.4 Other Committees, Divisions, Task Forces, Workgroups

In addition to the Standing Committees provided for in these Bylaws, the Board of Directors may, from time to time, establish such additional committees, divisions, task forces, or workgroups as it shall deem necessary or appropriate. Non-Council members may be appointed to committees, divisions, task forces, or workgroups in an ex-officio, non-voting capacity. Employees of the Council may not serve as voting members on any divisions, task forces or workgroups.

Article VII

Member Affiliate Groups

Section 7.1 Member Affiliate Groups

Member Affiliates are defined as formal communities within the Council that form to bring members together based on location, interest, or task. They are driven by the member's need to network and affiliate within the Council. These communities may be formed at the local, state, or regional levels or around unique practice areas in accordance with procedures approved by the Board of Directors. Members of these communities must maintain Council membership.

Article VIII

Relationship to NATIONAL ASSOCIATION OF REALTORS®

Section 8.1 Approval by NATIONAL ASSOCIATION OF REALTORS®

Subject to the provisions of Article XX of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®, any action of this Council shall be subject to the approval of the NATIONAL ASSOCIATION OF REALTORS® Board of Directors as being consistent with the NATIONAL ASSOCIATION OF REALTORS® Constitution and Bylaws, as interpreted by NATIONAL ASSOCIATION OF REALTORS®.

Section 8.2 Marks

All current or future trademarks, service marks, membership marks, certification marks, trade names and logos (collectively known as "Marks"), whether or not registered with any government, which are used by or developed for the Council or the Council's members for use in connection with their membership, shall be owned by the NATIONAL ASSOCIATION OF REALTORS®. All use of these marks by the Council and the Council's members shall inure to the benefit of the NATIONAL ASSOCIATION OF REALTORS®. The NATIONAL ASSOCIATION OF REALTORS® shall grant to the Council a royalty free license to use the Marks and to authorize the Council's members to use the Marks.

Article IX

General Powers

Section 9.1 Fiscal Year

The fiscal year of the Council shall be the calendar year.

Section 9.2 Use of Funds

The Council shall use its funds only to accomplish the objectives and purposes specified in these Bylaws, and no part of its funds shall inure, or be distributed, to the members of the Council.

Section 9.3 Dissolution

On dissolution of the Council, any funds remaining shall be distributed to one or more regularly organized and qualified professional societies, trade association, or charitable, educational, scientific, or philanthropic organizations exempt from the payment of federal income taxes under any subsection of Section 501(c)(3) or Section 501(c)(6) of the Internal Revenue Code of 1986 to be selected by the Board of Directors.

Section 9.4 Procedure

The conduct of all meetings of the Council shall be governed by the rules contained in the newest edition of Robert's Rules of Order in all cases to which they are applicable, provided that they are not inconsistent with the Bylaws.

Section 9.5 Indemnification

The Council shall have the power and authority to indemnify and hold harmless to the full extent permitted by law any person who is or was a director, officer, employee or agent of the Council or who is or was serving at the request of the Council as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. In addition, the Council may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Council or who is or was serving at the request of the Council as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred in any such capacity, or arising out of such person's status as such, regardless of whether the Council would have the power to indemnify against such liability.

9.5.1 In the event of suits or claims in which one or more current or past officers or directors or employees or committee members of the Council are named as a result of their status as such or decisions or actions taken in good faith and reasonably understood to be within the scope of their authority or employment during their terms as such, the Council shall, directly or through insurance secured for the benefit of such officers and directors, employees and committee members, secure counsel to act on behalf of and provide a defense for such officers, directors, employees, and committee members; pay reasonable defense expenses incurred in advance of final disposition of such case; and indemnify such officers, directors, employees, and committee members with respect to any liability assessed or incurred as a result of any such claim, suit or action.

9.5.2 The above-stated defense and indemnification of officers, directors, employees, and committee members shall extend to those individuals when serving at the request of the Council as an officer, director, employee, or committee member of another entity, but only after indemnification and insurance coverage from such other entity has been exhausted.

Section 9.6 Bonding

Any person entrusted with the handling of funds or payments of the Council, at the discretion of the Board of Directors, shall obtain and maintain a fidelity bond at the cost of the Council.

Section 9.7 Limitations

The Council shall not commit the NATIONAL ASSOCIATION OF REALTORS® to any expenditures or commitments of the Council unless such expenditures or commitments shall first have been approved by the Board of Directors of NATIONAL ASSOCIATION OF REALTORS®.

Section 9.8 Council Liabilities

The Council shall not assume any liability for any expenditures or any commitments of any entity, unless such expenditures or commitments shall first have been approved by the Chief Executive Officer or the Board of Directors.

Section 9.9 Disputes and Interpretations

In the event of any dispute or request for interpretation of these Bylaws, the Council's Board of Directors shall serve as the interpreter, mediator and final voice as to any conflicts relative to the interpretations of these Bylaws.

Article X

Amendments

These Bylaws may be amended only by the Board of Directors by a two-thirds favorable vote of the Directors, provided 30 days' notice in advance shall have been given to all Directors of the intention to amend the Bylaws, together with a written copy of the substance of the proposed amendment(s). Such amendment(s) shall be subject to the approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS® as required by the Constitution, Bylaws and policies of NATIONAL ASSOCIATION OF REALTORS®

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