

# BYLAWS OF THE ASSOCIATION OF INDUSTRIAL REAL ESTATE BROKERS

AMENDED: November 30, 2017

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**ARTICLE I: NAME, OBJECTIVES AND GOVERNMENT**

**Section 1: Name.** The name of this Association is The Association of Industrial Real Estate Brokers ("AIRE" or "Association").

**Section 2: Charter.** The Association is a general not-for-profit corporation chartered under the laws of the State of Illinois on July 1, 1981.

**Section 3: Objectives.** The objectives of the Association are:

- A. To unite those properly licensed Illinois real estate managing brokers and brokers who are actively engaged in buying, selling, renting or leasing for others, for compensation, land, buildings and other facilities for manufacturing, warehousing, service center and related uses.
- B. To establish, encourage and enforce high standards of ethical and professional practice among its Members, the companies to which its Members belong and the individuals within those companies.
- C. To foster knowledge, service, cooperation, education and integrity in the field of industrial real estate brokerage and to engage in philanthropy within the community.
- D. To foster mutual cooperation and the exchange of information relating to industrial real estate among the Members of the Association.
- E. To identify, certify and publicize the availability of qualified persons actively engaged in the industrial real estate brokerage business.
- F. To cooperate with other real estate organizations, civic organizations and governmental bodies to insure a business climate in Illinois that will be encouraging to industrial growth.
- G. To offer help and encouragement in the settlement of disputes between Members and between firms with which Members are affiliated.
- H. To disseminate knowledge through publishing and distributing appropriate materials and textbooks, conducting seminars and other media.

**Section 4: Government.** The Association shall be governed by applicable Illinois law, its Articles of Incorporation, Bylaws, Standards of Ethical Practice and Conduct, regulations and operating policies.

**Section 5: Definition of Terms.** For purposes of interpreting these Bylaws and the Standards of Ethical Practice and Conduct, the terms set forth below shall be defined as follows:

- A. **Act:** the Illinois General Not-For-Profit Corporation Act of 1986, or any successor law.
- B. **Active Member:** any person who has qualified and been accepted for membership under Article II, Section 1, and is current in dues and other obligations to the Association.

- C. **Active Membership:** all of the current Active Members of the Association.
- D. **Applicant:** any person or company submitting an Application for Membership.
- E. **Application:** the official Application for Membership as prepared and offered by the Membership Committee.
- F. **Associate Member:** any company which has qualified and been accepted for membership under Article II, Section 3.
- G. **Association Administrator:** an entity or person with whom the Association, through the Board of Directors, may contract from time to time for the providing of services and other administrative functions as described herein or otherwise approved by the Board. As of the adoption hereof, the Association Administrator is as registered with the State of Illinois.
- H. **Board or Board of Directors:** the Board of Directors of the Association.
- I. **Bylaws:** the current Bylaws of the Association which shall include the Standards of Ethical Practice and Conduct and any other documents or provisions which may be properly made a part of the current Bylaws of the Association.
- J. **Client/Developer Member:** any company which has qualified and been accepted for membership under Article II, Section 4
- K. **Designee:** the official, approved representative of an Associate Member.
- L. **Executive Director:** the administrator of the Association who, subject to the control of the President and the Board of Directors, shall:
  - 1: Supervise, direct, and control the day-to-day operation of business and affairs of the Association in accordance with the provisions of any management agreement;
  - 2: Supervise and direct all staff serving the Association;
  - 3: Supervise, direct, and control the collection, deposit, and disbursement of all funds of the Association in accordance with instructions and policies established by the Board of Directors;
  - 4: Execute contracts on behalf of the Association, provided that such contracts are in the ordinary course of the Association's business or specifically approved by the Board of Directors;
  - 5: Attend all meetings of the Board of Directors, Executive Committee and membership and, whenever practical, serve as the staff adviser and recording secretary thereof; and
  - 6: Have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.
- M. **General Membership or Members:** all Active Members, Honorary Members, Associate Members, Client/Developer Members and Designees.
- N. **Honorary Member:** any Member who has qualified under Article II, Section 2.

**Section 6: Registered Agent/Office.** The Association shall at all times maintain within the State of Illinois a registered agent and registered office as required by the Act and as determined by the Board. For the purposes of the Act, the Registered Agent of the Association shall be the Association Administrator at the office of the Association Administrator, or such other Registered Agent and Registered Office as may be designated from time to time by the Board.

## **ARTICLE II: MEMBERSHIP**

### **Section 1: Active Membership.**

- A. **Eligibility:** *Active Membership in the Association shall be open to any individual who:*
  1. is a licensed real estate managing broker or broker in the State of Illinois acting in a third party capacity;
  2. is principally engaged in industrial real estate brokerage and has consummated (i) not less than 10 industrial transactions, and (ii) sales and leases of industrial properties totaling not less than

\$2,000,000 cumulative, both within the 24-month period immediately prior to the making of an Application;

3. has a minimum of two years experience in industrial real estate brokerage;
4. has a reputation for integrity and ability and has established in the community a reputation of real estate practice in compliance with the law and in an honorable manner;
5. agrees to abide by the Bylaws of the Association as well as the Standards of Ethical Practice and Conduct;
6. has attended not less than four (4) regular meetings or functions of the Association within the twelve (12) month period immediately prior to the making of any Application;
7. is sponsored for Membership by two Active Members, both of whom shall have participated in at least one (1) consummated industrial real estate transaction with the Applicant, and both of whom shall be outside of the firm of which the Applicant is a member;
8. has attended, if deemed necessary by the Board of Directors, an AIRE Standards of Ethical Practice and Conduct seminar or an Association approved alternative;
9. has properly completed and signed the Application;
10. has submitted the application fee with the Application, which amount shall be set by the Board from time to time and noted on the Application; and
11. has been approved by the Membership Committee.

B. **Eligibility of Managers or Principals:** Active Membership is also open to individuals who are managers or principals of an industrial real estate brokerage company or division having a minimum of 10 industrial salespeople. Individual Applicants under this provision need not meet the qualifications described in clauses (2) and (3) of Subsection A of this Section 1 of the Bylaws, but must have 2 years of experience as a manager or principal, and while they must be sponsored by 2 Active Members, neither of whom is affiliated with the Applicant's firm, the requirement of having cooperated in transactions with the sponsors is waived for this category.

C. **Rights:** Active Members shall each have one vote on all matters submitted to a vote of the Membership and shall be eligible to serve as officers and directors of the Association.

D. **Exceptions:** Any or all of clauses (6), (7) and (8) of Subsection A of this Section 1 may be waived by the Board upon recommendation of the Membership Committee, provided it is determined that there are (i) extenuating circumstances, (ii) prior years of real estate activity in Illinois or other states, or (iii) other compelling reasons why the particular Applicant should not be required to meet the particular qualification. A written request for a waiver must be made by the Applicant along with submittal of the Application, including a written explanation offering justification for waiver, and the waiver must be recommended by majority vote of a quorum of the Membership Committee and approved by majority vote of a quorum of the Board prior to the Application's consideration by the Active Membership. Once the Membership Committee and Board have determined to waive a specific membership requirement, lack of meeting that requirement will not be accepted as legitimate objection to granting or continuing membership.

Active Members admitted to the Association prior to the date of the approval of these Amended and Reinstated Bylaws, who no longer qualify as Active Members under these Amended and Reinstated Bylaws, shall nonetheless remain as Active Members of the Association.

E. **Application Procedure:**

1. **Form of Application:** Applications for Active Membership shall: (i) be in writing on the form provided by the Association; (ii) be signed by the Applicant, and, in the case of any Applicant who is a member of a firm, be signed by the manager or a principal of such firm to evidence such firm's acknowledgment of the provisions hereof; (iii) include recommendations and signatures of two sponsoring Active Members who shall be from different companies; (iv) be accompanied by a non-refundable application fee, and any other documentation or information required by the Application; (v) contain an agreement to abide by all the Bylaws of the Association in force and as enacted from time to time; (vi) contain complete information regarding any complaints filed against the Applicant before any Real Estate Board; (vii) contain

consent that the Association, through the Membership Committee or otherwise, may invite and receive information and comment about the Applicant from any Active Member or other persons; (viii) contain an agreement that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, defamation of character or other sort; and (ix) contain an irrevocable waiver of claim against the Association, the Board, any Member or any agent of the Association in connection with the business of the Association and particularly as to its act, or their acts, in admitting, or failing to admit, or disciplining the Applicant as a Member. The Application will also make note of those membership requirements which may be waived, provided waiver has been requested by the Applicant and sufficient cause for waiver has been approved by the Membership Committee and Board.

2. Action on Applications:

- i. All Applications for Active Membership shall be filed with the Chairperson of the Membership Committee ("Membership Chairperson"), who, within 30 days of receipt of the Application, shall review the Application to determine whether the Applicant appears to meet the Active Membership requirements. If there is a request of waiver of any requirement, the Membership Chairperson shall call for a vote of the Membership Committee on the waiver, a majority vote of a quorum of the Committee being required for recommendation for or against. The recommendation of the Membership Committee, together with the Application, shall then be submitted to the Board, who must also approve or deny the waiver by majority vote of a quorum of the Board. If the requested waiver is not recommended by the Membership Committee or denied by the Board, the Application shall be refused. In reviewing all Applications, the Membership Committee may request any additional information and may personally interview the Applicant, sponsors or others to obtain it.
- ii. Once an Application has been acted upon by a majority vote of the Membership Committee, the Membership Chairperson shall give notice of the Application to all Active Members. This notice shall contain the name of the Applicant, the name of the brokerage company or firm to which the Applicant is affiliated, and the names of the sponsors. The notice shall also contain the following paragraph:

"At any time within ten (10) days after the date of this notice, any Active Member may notify the President and the Executive Director of any written objection to the acceptance of an Applicant. The objection shall state specifically matters which in the view of the objector indicate that the Applicant has failed to comply with any requirements of the Bylaws."

The names and addresses of the President and the Executive Director shall be provided in the notice.

3. Membership Committee Procedure: The following shall be the rules of procedure of the Membership Committee with respect to Applications subsequent to the serving of notice to the Active Membership and receipt of objections, if any:

- i. If the Applicant meets all of the qualifications for Active Membership (and all waiver requests have been approved) and no objections have been raised, or if raised and withdrawn, then the Membership Committee shall recommend approval of the Application for Active Membership by the Board.
- ii. If objection to the Applicant has been filed in writing by any Active Member as required above, the President shall notify the Applicant of the substance, but not necessarily the source, of the objection. The Applicant may, if the Applicant wishes, submit additional information intended to satisfy the objection or may withdraw the Application. If neither the Application nor the objection has been withdrawn, the President shall, upon written request from the Applicant, submit all relevant material to the Board for its disposition.
- iii. Upon written request from the Applicant, the Board, meeting with a quorum of its Members, the Membership Chairperson, and any objectors, shall review the Application. The Board shall then invite the Applicant to appear in person before the Board to defend against any objections, if the Applicant so desires. A time and place for such appearance shall be set to the convenience of all parties. Any other parties

may also be invited to attend this hearing if so desired by the Board. The Applicant is entitled to be accompanied by the Applicant's attorney or other advocate. The Board, after hearing all relevant information, shall accept or reject the Applicant by a vote of not less than 70% of the full Board. The action of the Board shall be final in all cases.

- iv. If an Applicant has been denied Active Membership, the Applicant may not reapply for one year from the date of such denial and must submit a new Application for Membership.
  - v. The Membership Chairman may elect to delegate some or all of such Membership Committee functions if there is only one (1) Member of the Membership Committee.
4. **Admission to Membership:** When an Applicant has been approved for Active Membership, the Applicant shall be notified promptly by the Association Administrator and shall be invited to attend the next regular meeting where the Membership Chairperson (or the Chairperson's or Association's designee) shall award a Certificate of Membership and any other pins, documents or gifts as may be determined from time to time. The Membership Chairperson shall be responsible for notification to the Association Administrator, who will be responsible to see that the new Member is added to the roster and is billed for such new Member's pro rata share of the current year's dues.
  5. **Ongoing Qualifications:** Once a person has been accepted for Active Membership, such Member must continue to meet all the qualifications for Membership as described in Article II, Section 1 of the Bylaws, except that notwithstanding the foregoing: (i) such Member need not continue to consummate the number of deals specified; (ii) such Member's meeting attendance requirement is waived; and (iii) all requirements specifically relating to Application and sponsorship shall not apply. Active Members must agree to abide by the Association's website protocol as enacted and amended from time to time.

## **Section 2: Honorary Membership.**

- A. **Entitlements, Restrictions and Rights:** Honorary Members shall remain on the Association's mailing lists, shall be entitled to voting privileges and all other privileges of Active Members, and shall be allowed to attend all regular meetings of the Association without charge. Honorary Members shall be required to pay the appropriate charges for special functions such as networking events and special seminars and meetings. Honorary Members shall not be required to pay dues and shall not be required to participate in on-going education and certification programs.

Honorary Members shall abide by the Bylaws and shall be subject to disciplinary action or expulsion as provided for all Members under these Bylaws.

- B. **Lifetime Membership:** Unless expelled, Honorary Members remain Honorary Members for life. Honorary Members, at their option, may request to have their name removed from either or both the mailing list or roster if retired, no longer living in the area, and/or no longer wishing to receive mailings from the Association. Removal from the mailing list does not constitute a resignation from Honorary Membership; however, an Honorary Member may resign at any time by notifying the President who shall be required to accept said resignation if offered.
- C. **Qualifications:** Honorary Membership may, at the discretion of the Board, be awarded to individuals who meet one or more of the qualifications below.
  1. Any Active Member who has served as President of the Association 20 years prior to the date of acceptance of Honorary Membership. (e.g. the 1989 President, and all prior Presidents, shall be eligible for Honorary Membership at the beginning of 2009.)
  2. Any person who has been an Active Member for at least 20 years, is over 65 years of age, may or may not have served as President, but has, in the opinion of the Board of Directors, offered extraordinary contributions to the Association and the profession.
  3. Any current Member in good standing who does not meet any of the above qualifications but has, in the opinion of the Board, made such significant contributions to the industrial real estate brokerage profession as to warrant being honored by this designation.

- D. **Procedure:**

1. Any Active Member may nominate a candidate for Honorary Membership meeting the above requirements by notifying the President. In the case of a 20th year Past President, any person qualifying shall be automatically nominated at the first Board of Directors meeting of the 21st year after such person's presidency. The President shall bring the matter before a quorum of the Board who shall decide by simple majority vote. The decision of the Board shall be final.
2. If the nominee is rejected, there shall be no public mention or notification, but the nominator shall simply be informed, and the person rejected may not be re-nominated for at least another 12 months. If the nominee is accepted, the President shall contact the nominee to determine if the nominee accepts the designation and if so, shall invite the nominee to attend the next regular meeting of the Association to be presented with an official certificate or plaque and be honored by the Association. If the nominee is not able to attend the next regular meeting, the President shall determine whether to wait for induction at a subsequent, future meeting, or to simply induct in the absence of the nominee and mail the certificate or plaque. It shall be the responsibility of the Membership Committee to see that certificates and plaques are prepared and presented.

### **Section 3: Associate Membership.**

A. **Eligibility:** Associate Membership shall be open to the following types of companies which are sponsored by at least two (2) Active Members: (i) public utility companies, such as railroads, electric power, gas and telephone companies; (ii) established private industrial districts; (iii) industrial general contractors and developers; (iv) industrial architects; (v) banks; (vi) industrial mortgage brokers; and (vii) other companies engaged in activities directly related to the field of industrial real estate. At no time shall the number of Associate Member companies exceed 30% of the General Membership of the Association. The Board and the Membership Committee shall endeavor to maintain a relatively balanced Associate Membership mix from the foregoing fields.

#### **B. Application Procedure:**

1. **Form of Application:** Applications for Associate Membership shall: (i) be in writing on the form provided by the Association; (ii) be signed by a principal of the Applicant; (iii) include recommendations and signatures of two sponsoring Active Members who shall be from different companies; (iv) be accompanied by a non-refundable application fee and any other documentation or information as may be required by the Application; (v) appoint the initial Designee or Designees; (vi) contain an agreement to abide by all the Bylaws of the Association in force and as enacted from time to time; (vii) contain consent that the Association, through the Membership Committee or otherwise, may invite and receive information and comment about the Applicant from any Active Member or other persons; (viii) contain an agreement that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of an action for slander, libel, defamation of character or other sort; and (ix) contain an irrevocable waiver of claim against the Association, the Board, the Association Administrator, any Committee, any Member, or any agent of the Association in connection with the business of the Association and particularly as to its act, or their acts, in admitting, or failing to admit, or disciplining the Applicant as a Member. The Application will also make note of those Membership requirements which may be waived, provided waiver has been requested by the Applicant and sufficient cause for waiver has been approved by the Membership Committee and Board.
2. **Action on Applications:**
  - i. All Applications for Associate Membership shall be filed with the Membership Chairperson, who, within 30 days of the Application, shall review the Application to determine whether the Applicant appears to meet the Associate Membership requirements within 30 days of the submittal of the Application.
  - ii. Once an Application has been acted upon by a majority vote of a quorum of the Membership Committee, the Membership Chairperson shall give notice of its decision to the President. If there is a request of waiver of any requirement, the Membership Chairperson shall call for a vote of the Membership Committee on the waiver, a majority vote of a quorum of the Committee being required for recommendation of acceptance or denial. The recommendation of the Membership Committee, together with the Application, shall then be submitted to the Board, who must also approve or deny the Application by majority vote of a quorum of the Board. If the requested waiver is not recommended by the Membership Committee or denied by the Board, the Application shall be refused. In reviewing all Applications, the Membership

Committee may request any additional information and may personally interview the Applicant, sponsors or others to obtain it.

- iii. Once an Application has been recommended by a majority vote of a quorum of the Membership Committee, the Membership Chairperson shall give notice of the Application to all Active Members. This notice shall contain the name of the Applicant, the names of the Designees and the names of the sponsors. The notice shall also contain the following paragraph:

“At any time within ten (10) days after the date of this notice, any Active Member may notify the President and the Executive Director of any written objection to the acceptance of an Applicant. The objection shall state specifically matters which in the view of the objector indicate that the Applicant has failed to comply with any requirements of the Bylaws.”

The names and addresses of the President and the Executive Director shall be provided in the notice.

3. **Membership Committee Procedure:** The following shall be the rules of procedure of the Membership Committee with respect to Applications for Associate Membership subsequent to the serving of notice to the Active Membership and receipt of objections, if any:
    - i. If the Applicant meets all of the qualifications for Associate Membership (and all waiver requests have been approved) and no objections have been raised, or if raised and withdrawn, then the Membership Committee shall recommend approval of the Application for Associate Membership by the Board.
    - ii. If objection to the Applicant has been filed in writing by any Active Member as required above, the President shall notify the Applicant of the substance, but not necessarily the source, of the objection. The Applicant may, if the Applicant wishes, submit additional information intended to satisfy the objection or may withdraw the Application. If neither the Application nor the objection has been withdrawn, the President shall, upon written request from the Applicant, submit all relevant material to the Board for its disposition.
    - iii. Upon written request from the Applicant, the Board, meeting with a quorum of its Members, the Membership Chairperson, and any objectors, shall review the Application. The Board shall then invite the Applicant to appear in person before the Board to defend against any objections. A time and place for such appearance shall be set to the convenience of all parties. The objector, and any other parties, may also be invited to attend this hearing if so desired by the Board. The Applicant is entitled to be accompanied by the Applicant's attorney or other advocate. The Board, after hearing all relevant information, shall accept or reject the Applicant by a vote of not less than 70% of the full Board. The action of the Board shall be final in all cases.
    - iv. If an Applicant has been denied Associate Membership, the Applicant may not reapply for one year from the date of such denial and must submit a new Application for Membership.
  4. **Admission to Membership:** When an Applicant has been approved for Associate Membership, the Applicant shall be notified promptly by the Association Administrator and shall be invited to attend the next regular meeting where the Membership Chairperson (or the Chairperson's designee) shall award a Certificate of Membership and any other pins, documents or gifts as may be determined from time to time. The Membership Chairperson shall be responsible for notification to the Association Administrator, who will be responsible to see that the new Member is added to the roster and is billed for such new Member's pro rata share of the current year's dues.
- C. **Designees:** Any company accepting an invitation for Associate Membership shall appoint at least one (1) but not more than two (2) Designees in the application form. Designees of the Associate Members may attend meetings of the Association when invited, take part in discussions, and advise as to matters pertaining to industrial real estate.
  - D. **Rights and Responsibilities:** Upon acceptance as an Associate Member, the Associate Member and its Designees and all Members of the Associate Member's company shall be bound by the Bylaws. Associate Members shall carry no voting rights in the Association and a Designee shall not be permitted

to serve on the Board or to hold office. A Designee may serve as Chairperson or Member of any committee except the Membership Committee, the Ethics Committee, the Conflict Resolution Committee or the Nominating Committee. Associate Members must agree to abide by the Association's website protocol as enacted and amended from time to time. The Board may further reasonably limit or restrict other rights of Associate Members and Designees.

- E. **Meetings:** The Board of Directors has the right to determine that any membership meeting or any portion of any such meeting may be attended only by Active Members.

#### **Section 4: Client/Developer Membership.**

- A. **Eligibility:** Client/Developer Membership shall be open to the following types of companies which are sponsored by at least two (2) Active Members: (i) Developer – companies that primarily develop industrial and/or office real estate facilities; and (ii) Corporate Investors – companies that own, buy and/or lease significant amounts of industrial and/or office real estate. The Board and the Membership Committee shall have final authority to determine whether an applicant is entitled to membership in this category.

- B. **Application Procedure:**

- 1. Form of Application: Applications for Client/Developer Membership shall: (i) be in writing on the form provided by the Association; (ii) be signed by a principal of the Applicant; (iii) include recommendations and signatures of two sponsoring Active Members who shall be from different companies; (iv) be accompanied by a non-refundable application fee and any other documentation or information as may be required by the Application; (v) appoint the initial Designee or Designees; (vi) contain an agreement to abide by all the Bylaws of the Association in force and as enacted from time to time; (vii) contain consent that the Association, through the Membership Committee or otherwise, may invite and receive information and comment about the Applicant from any Active Member or other persons; (viii) contain an agreement that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of an action for slander, libel, defamation of character or other sort; and (ix) contain an irrevocable waiver of claim against the Association, the Board, the Association Administrator, any Committee, any Member, or any agent of the Association in connection with the business of the Association and particularly as to its act, or their acts, in admitting, or failing to admit, or disciplining the Applicant as a Member. The Application will also make note of those Membership requirements which may be waived, provided waiver has been requested by the Applicant and sufficient cause for waiver has been approved by the Membership Committee and Board.

- 2. Action on Applications:

- i. All Applications for Client/Developer Membership shall be filed with the Membership Chairperson, who, within 30 days of the Application, shall review the Application to determine whether the Applicant appears to meet the Client/Developer Membership requirements within 30 days of the submittal of the Application.
- ii. Once an Application has been acted upon by a majority vote of a quorum of the Membership Committee, the Membership Chairperson shall give notice of its decision to the President. If there is a request of waiver of any requirement, the Membership Chairperson shall call for a vote of the Membership Committee on the waiver, a majority vote of a quorum of the Committee being required for recommendation of acceptance or denial. The recommendation of the Membership Committee, together with the Application, shall then be submitted to the Board, who must also approve or deny the Application by majority vote of a quorum of the Board. If the requested waiver is not recommended by the Membership Committee or denied by the Board, the Application shall be refused. In reviewing all Applications, the Membership Committee may request any additional information and may personally interview the Applicant, sponsors or others to obtain it.
- iii. Once an Application has been recommended by a majority vote of a quorum of the Membership Committee, the Membership Chairperson shall give notice of the Application to all Active Members. This notice shall contain the name of the Applicant, the names of the Designees and the names of the sponsors. The notice shall also contain the following paragraph:



"At any time within ten (10) days after the date of this notice, any Active Member may notify the President and the Executive Director of any written objection to the acceptance of an Applicant. The objection shall state specifically matters which in the view of the objector indicate that the Applicant has failed to comply with any requirements of the Bylaws."

The names and addresses of the President and the Executive Director shall be provided in the notice.

2. **Membership Committee Procedure:** The following shall be the rules of procedure of the Membership Committee with respect to Applications for Client/Developer Membership subsequent to the serving of notice to the Active Membership and receipt of objections, if any:
    - i. If the Applicant meets all of the qualifications for Client/Developer Membership (and all waiver requests have been approved) and no objections have been raised, or if raised and withdrawn, then the Membership Committee shall recommend approval of the Application for Client/Developer Membership by the Board.
    - ii. If objection to the Applicant has been filed in writing by any Active Member as required above, the President shall notify the Applicant of the substance, but not necessarily the source, of the objection. The Applicant may, if the Applicant wishes, submit additional information intended to satisfy the objection or may withdraw the Application. If neither the Application nor the objection has been withdrawn, the President shall, upon written request from the Applicant, submit all relevant material to the Board for its disposition.
    - iii. Upon written request from the Applicant, the Board, meeting with a quorum of its Members, the Membership Chairperson, and any objectors, shall review the Application. The Board shall then invite the Applicant to appear in person before the Board to defend against any objections. A time and place for such appearance shall be set to the convenience of all parties. The objector, and any other parties, may also be invited to attend this hearing if so desired by the Board. The Applicant is entitled to be accompanied by the Applicant's attorney or other advocate. The Board, after hearing all relevant information, shall accept or reject the Applicant by a vote of not less than 70% of the full Board. The action of the Board shall be final in all cases.
    - iv. If an Applicant has been denied Client/Developer Membership, the Applicant may not reapply for one year from the date of such denial and must submit a new Application for Membership.
  3. **Admission to Membership:** When an Applicant has been approved for Client/Developer Membership, the Applicant shall be notified promptly by the Association Administrator and shall be invited to attend the next regular meeting where the Membership Chairperson (or the Chairperson's designee) shall award a Certificate of Membership and any other pins, documents or gifts as may be determined from time to time. The Membership Chairperson shall be responsible for notification to the Association Administrator, who will be responsible to see that the new Member is added to the roster and is billed for such new Member's pro rata share of the current year's dues.
- C. **Designees:** Any company accepting an invitation for Client/Developer Membership shall appoint at least one (1) Designee in the application form. Designees of Client/Developer Members may attend meetings of the Association when invited, take part in discussions, and advise as to matters pertaining to industrial real estate.
- D. **Rights and Responsibilities:** Upon acceptance as a Client/Developer Member, the Client/Developer Member and its Designees and all Members of the Client/Developer Member's company shall be bound by the Bylaws. Client/Developer Members shall carry no voting rights in the Association and a Designee shall not be permitted to serve on the Board or to hold office. A Designee may serve as Chairperson or Member of any committee except the Membership Committee, the Ethics Committee, the Conflict Resolution Committee or the Nominating Committee. Client/Developer Members must agree to abide by the Association's website protocol as enacted and amended from time to time. The Board may further reasonably limit or restrict other rights of Client/Developer Members and Designees.
- E. **Meetings:** The Board of Directors has the right to determine that any membership meeting or any portion of any such meeting may be attended only by Active Members.

**Section 5: Certificates and Pins.** Certificates, pins, emblems and other evidence of Membership shall be reserved for the use of Members only and upon termination of membership, shall no longer be used by terminated Member.

**Section 6: Dues and Fees.**

- A. The application fees and annual dues for Active, Associate and Client/Developer Membership will be established from time to time by the Board of Directors. Associate Members and Client/Developer Members shall pay dues for each Designee.
- B. Dues will cover standard membership costs, which shall include but not be limited to the regular lunch and dinner meetings of the Association, mailings, electronic mail system and website costs, other administration costs, and the membership directory. The Board of Directors shall designate any additional or special charges for individual events, programs, services or materials that it deems appropriate. Membership dues shall be paid in advance for twelve months during the month of January.
- C. A non-refundable application fee shall accompany the Application for Active, Associate or Client/Developer Membership.-

**ARTICLE III: RESIGNATIONS, DELINQUENCIES, REINSTATEMENTS AND TRANSFERS**

**Section 1: Resignations.** All resignations of Active, Honorary, Associate and Client/Developer Members shall be made to the President in writing; resignation from membership shall not relieve the resigning Member from liability for payment of all outstanding dues and obligations to the Association.

**Section 2: Delinquencies.** Any Member who or which fails to pay dues or other indebtedness within sixty (60) days after same becomes due, and which failure then continues for thirty (30) days after written notification thereof from the Board or the Association Administrator, shall be automatically suspended from Membership and all privileges of Membership shall be revoked. If, however, all such indebtedness is thereafter paid by the next subsequent meeting, such Membership shall be reinstated, but if not so paid, such Member shall be dropped from Membership.

**Section 3: Suspension.** A suspended Member may not attend any function of the Association, may not vote, may not publicize such Member's Membership during the suspension period, may not utilize the Association's electronic mail or website facilities, and shall not be entitled to all other privileges of Membership.

**Section 4: Change in Active Member's Business Activity.**

- A. In the event an Active Member's business activities change so that such Active Member no longer meets the requirements for Active Membership in the Association, such Active Member shall have an obligation to bring the change to the attention of the Membership Committee.
- B. The Membership Committee shall, upon receipt of notice either from an Active Member or from another source, investigate and determine whether the Active Member continues to meet the requirements for Active Membership. The Membership Committee shall communicate its determination and recommendation to the Board.
- C. If the Membership Committee recommends to the Board that Active Membership is no longer appropriate, the Board shall request that the Member resign. Upon resignation, the Member shall receive a full refund of such Member's pro rata share of any dues paid for the current year.
- D. In the event the Membership Committee recommends to the Board, and the Board determines, that an Active Member's activities are such that such Member more properly belongs in the Associate Membership category, the Member shall be notified and given the choice either to resign from the Association or change its membership to Associate Membership. If the Member elects to change Membership status, such Member shall automatically be granted the right to do so without filing a formal Application, as soon as an opening is available, and such Member shall remain an Active Member until that time.
- E. An Active Member who is requested by the Membership Committee or the Board to resign or change status may, within thirty (30) days of notification, appeal to the Board. The decision of a majority vote of a quorum of the Board shall be final. Once an Active Member's status has been questioned and such Member has been allowed to remain an Active Member (either by the Membership Committee or the

Board), such Member's status may not be challenged again for at least two (2) years based on the same set of facts.

- F. If an Active Member refuses to resign after being requested to do so, then the Board may terminate Membership of such Active Member.

**Section 5: Change in Associate or Client/Developer Member's Business Activity.**

- A. Any Active Member may challenge the status of an Associate or Client/Developer Member by written request to the Membership Chairperson. Upon reviewing the request, the Membership Committee shall recommend to the Board whether or not Associate or Client/Developer Member status is appropriate, taking into account whether the Member qualifies under the description of Associate or Client/Developer Membership or the Member's activities more closely qualify under the category of Active Membership.
- B. If the Board, acting on the Membership Committee's recommendation, determines that the Associate or Client/Developer Membership status is no longer appropriate, then the Associate or Client/Developer Member shall be requested to resign or to reapply to the Association under another membership category.
- C. An Associate or Client/Developer Member who is requested by the Board to resign may, within 30 days of notification, appeal to the Board. The decision of a majority vote of a quorum of the Board shall be final. Once an Associate or Client/Developer Member's status has been questioned and such Member has been allowed to remain an Associate or Client/Developer Member (either by the Membership Committee or the Board), such Member's status may not be challenged again for at least 2 years based on the same set of facts.
- D. If an Associate or Client/Developer Member refuses to resign after being requested to do so, then the Board may terminate Membership of such Associate or Client/Developer Member.

**ARTICLE IV: OFFICERS**

**Section 1: Name and Duties.** The officers of the Association shall be the following:

- A. **President:** The President shall preside over all general and special meetings, the Board of Directors and all Board meetings, and shall be a Member of the Ethics Committee and the Nominating Committee. The President shall be the major spokesperson for the Association and shall be the official representative of the Association to all outside bodies. The President shall have the authority to create any special Committees and appoint all Committee chairpersons and co-chairpersons. The President shall have the right to appoint spokespersons and representatives on behalf of the Association to outside groups and functions and will have primary responsibility for direction of the officers, Board members, chairpersons and activities of the Association.
- B. **Vice President:** The Vice President shall assist the President in leading the Association and shall be available to act as the President in the event of the President's inability to attend any meeting or function.
- C. **Secretary:** The Secretary shall maintain minutes at all Association and Board meetings and present same in a completed form for filing. The Secretary shall also supervise, if required, the activities of the Association Administrator relative to the annual filing and maintaining of all appropriate documents and records required under the Act or otherwise by the Secretary of State of Illinois, the U.S. government, and all other agencies or groups as may be needed to comply with laws governing the existence of the Association, and the coordination of all Association mailings.
- D. **Treasurer:** The Treasurer shall be the chief financial officer of the Association, and shall supervise, if required, the Association Administrator relative to (i) the preparation of the annual budget, (ii) seeing that the budget is adhered to, (iii) collection and depositing of all funds, (iv) payment of all obligations and expenses, (v) maintaining the active and official roster and mailing lists of the Association, and (vi) maintaining the attendance records of all Members the Seminars, meetings and special functions.

**Section 2: Term.** The term of office of each Officer shall be for one (1) year and shall coincide with the fiscal year of the Association, which shall be from January 1, to December 31, inclusive. No Officer shall serve for more than one consecutive year in the office in which they currently hold.

**Section 3: Vacancy.** In the event the office of President becomes vacant, the Vice President shall automatically assume the position as President for the remainder of the term. Upon the vacancy of any other office, the Board of Directors shall select one of its Board members to fill that position for the remainder of the term.

**Section 4: Qualifications.** Officers must be Active Members of the Association who have served as a member of the Board for at least one (1) full year prior to election or appointment.

**Section 5: Delegation.** Certain of the aforesaid activities of the Officers of the Association may be delegated from time to time to the Association Administrator, if appropriate, pursuant to a contract with such Association Administrator approved by the Board.

**Section 6: Compensation.** Officers shall not receive any compensation for their service as Officers, but the Board may by resolution authorize reimbursement of expenses incurred in the performance of their duties for the Association.

## **ARTICLE V: BOARD OF DIRECTORS**

### **Section 1: Purposes.**

- A. The Board of Directors shall have responsibility for supervision, control and direction of all affairs of the Association, including without limitation reviewing and approving or disapproving all new business, motions, policy matters, membership matters, budgets, special expenditures and long-range plans which are the proper concerns of the Association.
- B. The Board shall have the responsibility of initiating and reviewing Bylaws amendments and presenting them to the Active Members for approval or disapproval in accordance with Article XII of these Bylaws.
- C. The Board shall be the final decision-making body on appeals of the decisions of committees and on all matters with the exception of revisions to these Bylaws.

### **Section 2: Structures and Operation.**

- A. The Board of Directors shall consist of eleven (11) Active Members, including the four current Officers, the immediate Past President, and six (6) Directors at Large. No more than two (2) representatives of the same company shall serve on the Board at the same time, not including the immediate Past President, provided, however, that two persons who are eligible to serve on the Board simultaneously at the beginning of their terms but subsequently lose that eligibility due to position change, merger or otherwise, shall be permitted to serve out their then current terms on the Board.
- B. The President shall preside over and call all meetings of the Board, provided, however, that the Secretary shall call a meeting of the Board if such is requested in writing by at least four (4) Directors.
- C. Any Active, Honorary, Associate or Client/Developer Member may request consideration of business by the Board via written request delivered to the President. The Board shall have sole discretion to determine what Members and guests may attend all or portions of the Board meetings and to what extent they may participate in discussions.
- D. All Directors shall receive actual notice of each Board meeting communicated reasonably in advance of such meeting. A quorum of the Board shall consist of not less than six (6) Directors. All votes on all matters by the Board shall be majority vote at a meeting at which a quorum is present, provided, however, that Directors may participate in Board meetings by means of telephone conference or similar communications equipment, and provided further that the Board may also act by written consent pursuant to the Act. Directors may not vote by proxy. The results of any votes and decisions reached by the Board shall be announced to the Members, either in writing or at the next regular meeting. All decisions of the Board are final with the exception of Bylaw revisions, which must be approved by the Active Membership as provided in Article XII hereof.

**Section 3: Term.** The term of office of each Director at Large shall be for three (3) years, beginning January 1, except that the terms of office of at least two (2) Directors at Large shall expire each calendar year. The term of office of each other Director shall be for one (1) year to coincide with the terms of Directors who are also Officers. A Director shall be deemed to have resigned from the Board if said Director misses three (3) consecutive Board meetings or four (4) Board meetings in any twelve (12) month period.

**Section 4: Vacancy.** In the event of any vacancy on the Board, the Board shall appoint an Active Member as a replacement Director, to serve the remainder of the term of the Director being replaced.

**Section 5: Conflict of Interest.** No member of the Board of Directors shall vote on a matter in which such Director has a material or other special interest; such Director's presence may be counted for purposes of determining whether a quorum is present but may not be counted when the Board takes action on the matter.

**Section 6: Compensation.** Directors shall not receive any compensation for their service as Directors, but the Board may by resolution authorize reimbursement of expenses incurred in the performance of their duties for the Association.

## **ARTICLE VI: STANDING COMMITTEES**

**Section 1: Standing Committees.** Standing Committees of the Association shall be the following:

- A. **Membership Committee:** This Committee shall be comprised of a minimum of three (3) Active and/or Honorary Members including its Chairperson. A quorum of this Committee shall be 60% of the members. Responsibilities of the Committee shall be as outlined in Article II, Sections 1 through 5 above.
- B. **Ethics Committee:** This Committee shall be comprised of a minimum of five (5) Active and/or Honorary Members including the Association's President. A quorum of the Committee shall be 60% of the members. At least two (2) members of the Committee must at one time have served as President of the Association. The responsibilities of this Committee may be expanded or narrowed by the President and Board, but they shall generally include the following:
  - 1. Interpreting the Standards of Ethical Practice and Conduct in the event of any questions regarding the meaning of those Standards and/or activities as they may relate to those Standards, and constantly reviewing the Standards of Ethical Practice and Conduct and making recommendations to the Bylaws Committee for modifications to clarify or otherwise improve those Standards;
  - 2. Providing education relative to brokerage laws and standards through presentations and preparation and dissemination of written material and seminars, in conjunction with the Education Committee;
  - 3. Setting up and running the official AIRE Standards of Ethical Practice and Conduct Seminar as provided for in these Bylaws; and
  - 4. Holding hearings regarding questions relative to and challenges of behavior applicable to the Bylaws and Standards of Ethical Practice and Conduct, as well as taking disciplinary action as described in Article VIII of these Bylaws.
- C. **Bylaws Committee:** This Committee shall be comprised of not less than two (2) Active Members, shall review the Bylaws at the direction of the President or the Board, consider any amendments proposed by the Membership and formulate the language of proposed changes to be presented to the Board of Directors and to the General Membership for their approval.
- D. **Finance and Budget Committee:** This Committee shall be comprised of the newly elected President and Treasurer of the Association and the outgoing Treasurer. It shall be the Committee's responsibility, working in conjunction with the Association Administrator, to prepare a budget for the coming year to be presented in January to the Board of Directors for the Board's approval.
- E. **Publicity and Public Relations Committee:** This Committee shall be comprised of not less than two (2) Members. It shall be the Committee's responsibility to author press releases and newsworthy articles and to see that favorable coverage is given to the activities of the Association in trade journals and other media.
- F. **Program Committee:** This Committee shall be comprised of not less than two (2) Members. It shall be the Committee's responsibility, in cooperation with the President and Vice President, to schedule speakers and plan programs for Association meetings. This Committee will be responsible for the February meeting of its assigned year as well as the January meeting of the following year.
- G. **Government Affairs Committee:** This Committee shall be comprised of not less than two (2) Members. The Chairperson of the Committee shall be the organization's official representative to any other organization to which the President or Board wish to have representation relative to government, legislative and public affairs. In addition to representing the Association to other groups, this Committee shall be responsible for reporting of government affairs activities to the Board and General Membership of the Association.
- H. **Conflict Resolution Committee:** This Committee shall be comprised of not less than five (5) Members, two (2) of whom must at one time have served as President of the Association. This Committee shall conduct non-binding conflict resolution hearings upon request in accordance with Article XI of these Bylaws.

- I. **Nominating Committee:** This Committee shall consist of at least three (3) Active Members, as well as the Immediate Past President and Vice President. The Immediate Past President shall serve as Chairperson. The Committee shall be responsible for developing a slate of nominees for Officers and Directors as provided in Article VII hereof.
- J. **Communications and Technology Committee:** This Committee shall be comprised of not less than two (2) Active Members and shall be responsible for coordination of the electronic mail system and website, and all matters incident or otherwise relating thereto.
- K. **Education Committee:** This Committee shall be comprised of not less than two (2) Active Members and shall conduct the AIRE Laws and Standards Seminar in conjunction with the Ethics Committee and such other seminars, state approved continuing education and general education programs as the Board directs.

**Section 2: Additional or Special Committees.** The President, with the approval of the Board of Directors, shall have the right to create any additional or special Committees, as the President deems necessary, and to combine any of the above Committees. The Ethics and Conflict Resolution Committees may, if so determined by the Board, be combined into a single Committee with a single Chairperson.

**Section 3: Appointments.** Members of the Association's standing and special Committees and the Chairpersons thereof shall be appointed by the President, subject to approval by the Board of Directors as soon as possible following the President's election to office. The President shall invite input from the Board and General Membership and consider said input when making appointments. Any appointment of the President may be overridden by the Board by a vote of at least 2/3 of the Directors. Once a Chairperson and Committee have been selected, the Board may remove or replace any existing Chairperson or member by a vote of at least 2/3 of the Directors. No more than two (2) members of each Committee shall be from the same company.

## **ARTICLE VII: NOMINATION AND ELECTION PROCEDURES**

**Section 1: Nominating Committee.** The Nominating Committee shall convene in September to select a slate of candidates for Officers and Director positions and shall provide written notice of said slate to the General Membership prior to October 1 of such year.

**Section 2: Nominations From The Active Members.** A group of at least 10% (ten percent) of the voting members may place additional slates or individuals into nomination by written notice to the Nominating Committee prior to October 15 of each year.

### **Section 3: Elections.**

- A. If there are no additional slates or individuals nominated prior to October 15 of each year, then the Nominating Committee's slate shall be automatically approved. If there are additional nominations from 10% of Active Members as provided in Section 2 of this Article VII, then the Secretary shall mail ballots out to the Active Members prior to November 1 of such year. The ballots shall contain the Nominating Committee's slate and the name of all additional nominees for each specific position. The President shall determine the form and order of the ballot.
- B. In voting for Directors, the list of names of all persons nominated for a specific term shall be grouped and the candidate(s) with the most votes shall win. For example, if there are two (2) positions open and four (4) nominees, the two (2) with the most votes win. In election of Officers, the one (1) candidate with the most votes wins each position.
- C. Ballots must be marked, signed and returned to the Association Administrator, by mail or otherwise as directed in said notice to Members prior to the November meeting. Only ballots from Active and Honorary Members shall be counted. The President shall vote to elect Officers and Directors only to break ties. The President shall announce the results at the November meeting.

## **ARTICLE VIII: DISCIPLINE**

**Section 1: In General.** Any Member of the Association may be reprimanded, suspended or have Membership terminated for cause by the Ethics Committee.

**Section 2: Cause.** Cause is hereby defined as:

- A. Any conviction by a court of competent jurisdiction of a felony or fraud.
- B. Violation of the Bylaws or Standards of Ethical Practice and Conduct of the Association.

- C. Being an employee, principal, licensee or independent contractor of a firm with a policy in violation of the Bylaws or Standards of Ethical Practice and Conduct of the Association, unless the individual is not a principal of the firm and such policy does not require the individual to be in violation of the Bylaws or the Standards of Ethical Practice and Conduct.
- D. Being a principal of a firm in which there are individuals who have been shown, to the satisfaction of both the Ethics Committee and the Board, to operate in violation of the Bylaws and Standards of Ethical Practice and Conduct of the Association.
- E. Refusal to cooperate, appear or abide by decisions in conjunction with disputes, challenges to membership status, or conflict resolution that may be elected pursuant to Article XI hereof.

**Section 3: Ethics Committee Action.**

- A. Any Member may request the Ethics Committee to consider a reprimand or other disciplinary action by presenting a written request to the Chairperson of the Ethics Committee. The Ethics Committee shall determine whether a complaint has sufficient justification for consideration. If the Ethics Committee does not believe the matter warrants consideration, no further action shall be taken in the matter.
- B. The Ethics Committee shall determine procedures to obtain evidence and testimony regarding any complaints, which procedures shall provide reasonable due process to the party accused of committing an ethics violation, and shall, before any party is found guilty of any ethics or Bylaws violations, provide a copy of the complaint and all relevant materials to the party alleged to have committed a violation and provide that party an opportunity to appear before the Ethics Committee and present such party's case.
- C. The Ethics Committee shall have the following options after hearing all the evidence relative to a complaint:
  1. The Ethics Committee may find that there was no violation and/or that no action is warranted and shall drop the matter. Once a complaint has been considered by the Ethics Committee and dropped, no further action shall be taken relative to the specific complaint.
  2. The Ethics Committee may find that while there was a violation of the Bylaws or Standards of Ethical Practice and Conduct, no disciplinary action is warranted either because the offending party has taken sufficient steps to correct for said violation or because of extenuating or unusual circumstances in conjunction with the violation.
  3. If the Ethics Committee determines that a reprimand is in order, the Committee Chairperson shall notify the Member and the Board that the Ethics Committee has determined that the Member's activity(ies) have been found to be in violation of the standards of the Association but not so severe as to warrant suspension or expulsion at such time. The reprimand shall include a warning that further or continued activity in violation of the Bylaws or the Standards of Practice and Ethical Conduct could result in suspension of or expulsion from membership in the Association. The reprimand shall include recommendations and suggestions as to how to make reasonable amends for violations and how to prevent further occurrences in the future. The Ethics Committee shall notify the sales manager, partner or chief executive officer of the company employing the Member.
  4. By two-thirds (2/3) vote, the Ethics Committee may determine that the violation warrants suspension of membership or expulsion from membership in the Association. In the case of Associate or Client/Developer Members, it may be the barring of a specific person as Designee, or, in the event of repeated violations by a principal of the Associate or Client/Developer Member, the Member firm itself may be suspended or expelled from membership.
- D. In the event of suspension, expulsion or barring of a Member or Designee, the Ethics Committee Chairperson shall provide written notification of such action to the disciplined Member or Designee, with a copy to the Board via the President. The notification shall inform the party that unless such party appeals the decision of the Ethics Committee to the Board, by written notification to the President, within 15 days after receipt of said notice, the disciplinary action shall become final.
- E. If the President receives a written appeal as stated above, the President shall invite the subject of the discipline to appear before the Board to allow that person to present such person's case. The Chairperson and other Members of the Ethics Committee shall also appear to discuss the decision of the Ethics Committee, and the President may also determine to have other parties appear to provide information and testimony. The Board shall decide the matter by a majority vote, provided that a quorum is present. The Board may determine to impose discipline as recommended by the Ethics Committee, to

impose a lesser discipline, to reprimand instead of taking disciplinary action, or to conclude that no disciplinary action or reprimand shall be made.

- F. If no appeal of the Ethics Committee decision has been made to the Board, or once the Board has voted on an appeal, there can be no further action on the complaint.

#### **ARTICLE IX: MEMBERSHIP MEETINGS**

**Section 1: Quorum.** A quorum for any general or special meeting of the Members of the Association shall consist of fifteen (15%) percent of the Active and Honorary Membership, present in person or by proxy.

**Section 2: Voting.** All voting, except the election of Officers and Directors which shall be by secret ballot, shall be conducted by a show of hands unless any Active or Honorary Member shall request the voting to be conducted by ballot. Members shall be entitled to vote by proxy on any matter brought before the Membership for a vote. The Board may determine that any matter may be voted upon by the Members pursuant to the written consent procedure set forth in the Act.

**Section 3: Meetings.** Association meetings shall be held at such times and places as designated by the Board. An annual meeting shall be held in November of each year.

**Section 4: Special Meetings.** A special meeting of the General Membership may be called by (i) a majority of the Board, (ii) the President, or (iii) ten (10%) percent or more of the Active Members.

**Section 5: Notices of Meetings.** All notices of meetings of the Members, or special meetings called by the Board of Directors, the President or the Members, shall be given, unless greater notice is required by the Act, not less than ten (10) business days nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and when applicable, those matters which are to be presented for action by the Members.

**Section 6: Notices of Special Meetings.** If a special meeting is called by the Members, the request shall be transmitted, in writing, specifying the general nature of the business proposed to be transacted, to the President. The President shall cause notice to be given promptly to the Members; the date of the special meeting shall not be less than twenty (20) nor more than sixty (60) days following the giving of such notice. If the notice is not given within ten (10) business days after receipt of the request, the Members requesting the meeting may give the notice.

**Section 7: Content of Notices.** If the proposed action to be taken at any Membership meeting is for action on any of the following, the notice shall also state the general nature of the proposal, and Member action on such items shall be invalid unless the notice, or written waiver of notice, states the general nature of the proposal(s):

- A. Removing a member of the Board of Directors without cause; or
- B. Amending the Articles of Incorporation or Bylaws.

**Section 8: Delivery or Mailing of Notices.** Notice of any meeting of Members shall be given as described in Article XIII hereof, to each Member either at the address of that Member appearing on the books of the Association, or the address given by the Member to the Association for the purpose of notice.

**Section 9: Proxies.** Members shall be permitted to vote by proxy.

#### **ARTICLE X: FUNDS**

**Section 1: Deposits.** All funds of the Association, including any special funds contributed to it by its Members, shall be deposited in the Association's account at a bank to be designated by the Board of Directors. The Treasurer shall make due accounting to the Board at such times as may be requested by the President, based on statements and other information received from the Association Administrator.

**Section 2: Expenditures.** The funds of the Association shall be expended in accordance with a budget approved by the Board prior to the February meeting of the Association. Any expenditures not authorized in the budget shall be permitted by a vote of 2/3 of the Directors.

**Section 3: Signing of Checks.** Any checks or withdrawals shall be signed and/or co-signed in accordance with a written policy established from time to time by the Board of Directors.

**Section 4: Statements.** The Association Administrator shall maintain all monthly bank statements, and upon request of the Board shall promptly forward same to the President, the Board, or any other party designated by the Board.



**Section 5: Insurance and Bonding.** The Association Administrator shall maintain a fidelity bond in an amount not less than one hundred thousand dollars (\$100,000) on and for its employees, including leased employees, who handle Association funds, and shall also maintain comprehensive general liability insurance coverage in an amount reasonably satisfactory to the Board during the term of its agreement with the Association. The Association shall maintain separate comprehensive general liability and Directors and Officers liability insurance coverages.

## **ARTICLE XI: ARBITRATION AND HEARINGS**

**Section 1: Purpose.** The Conflict Resolution Committee shall have the right and responsibility to conduct non-binding conflict resolution hearings to help resolve conflicts between Active, Honorary, Associate and Client/ Developer Members, and members of the firms affiliated with said Members.

**Section 2: Hearings.** Members may make a request to the Conflict Resolution Committee for a non-binding informal conflict resolution hearing relative to any question or dispute. The Conflict Resolution Committee shall determine the form of the hearing, and the purpose of the hearing. The non-binding conflict resolution hearing shall be a one-time meeting to allow both parties to discuss their side in any dispute without cost and without obligation and to get input, suggestions and advice that might help settle the dispute or any questions relative to the dispute. The Conflict Resolution Committee may provide a usual and customary practices opinion but shall not make any legal conclusions. The parties to the non-binding conflict resolution hearing may mutually request the Association retain a third-party independent attorney to provide comments and input on the legal positions of the parties, provided the full and entire cost for such attorney's fees and costs related thereto shall be paid by the parties, not the Association. The Chairperson of the Conflict Resolution Committee shall determine which members of the Conflict Resolution Committee or Association shall be present during the hearing. All matters discussed at the non-binding conflict resolution hearing shall be treated as confidential, and all parties to the non-binding conflict resolution hearing shall be required to execute a confidentiality and non-disclosure agreement pertaining to the hearing. All costs associated with the non-binding conflict resolution hearing shall be at the sole expense of the parties involved. The Association shall not bear any liability whatsoever for said costs.

**Section 3: Intentionally Omitted.**

**Section 4: Conflicts.** The Association shall not hear grievances or disputes between individuals of the same firm or branch thereof, or between a firm and its former sales associates as to matters originating during the period of employment.

**Section 5: Failure to Attend or Cooperate.** Failure to attend or cooperate as required in any non-binding conflict resolution hearing is sufficient cause for disciplinary action as provided for in Article VIII of these Bylaws.

**Section 6: Action of Conflict Resolution Committee.** If, during the course of any non-binding conflict resolution hearing, the Conflict Resolution Committee determines that there may well have been breaches of these Bylaws or Standards of Ethical Practice and Conduct sufficient, in its opinion, to warrant possible disciplinary action, the Conflict Resolution Committee shall have the right and responsibility to initiate such action before the Ethics Committee.

## **ARTICLE XII: AMENDMENTS**

**Section 1: Voting on Amendments.** The Articles of Incorporation and/or these Bylaws may be amended as follows:

- A. Not less than two-thirds (2/3) of the full Board of Directors shall vote in favor thereof, following which the amendment shall be approved by a majority vote of the Members.
- B. Members must be advised in writing of the proposed changes not less than ten (10) days or more than twenty-one (21) days in advance of the due date for submission of written ballots or the date of the regular, special or annual meeting of the Membership at which such action is to be taken.

**Section 2: Alternate Procedure.** The Articles of Incorporation and/or these Bylaws may also be amended in the following manner:

- A. Amendments may be proposed by any Member in good standing through a written petition signed by at least ten (10%) percent of the Members in good standing.
- B. Such proposed amendments shall be submitted to the Board of Directors for consideration at its next regularly scheduled meeting. If approved by the Board of Directors, the proposed amendments shall be submitted to the General Membership either by written ballot or at a Membership meeting. A majority vote of the Members eligible to vote shall be required for approval of the proposed amendments.

**Section 3: Filing with Secretary of State.** Upon adoption of any amendment which is required under the Act to be filed with the Secretary of State of Illinois, any documents required to be filed by the Act relating to such amendment shall be so filed.

#### **ARTICLE XIII: NOTICE**

All notices, transmissions, requests and other notifications referred to herein or provided for hereunder may be hand delivered or sent by U.S. mail, recognized overnight courier, facsimile or electronic mail or other electronic transfer, or a combination of the foregoing, so long as same is designed by the sender to reach all parties required to receive such notification or request. Facsimile or electronic mail notifications or requests shall be deemed to be in writing for the purposes of these Bylaws.

#### **ARTICLE XIV: INDEMNIFICATION AND INSURANCE**

**Section 1: Indemnification.** The Association shall indemnify, to the fullest extent permitted by the Act, provided that such indemnification obligation is covered by insurance, any person who was or is a party, or is threatened to be made a party to any action by reason of the fact that such person is or was a director, officer, employee, agent or volunteer of the Association, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him or her in connection with such action. Expenses incurred in defending any such action may be paid by the Association in advance of final disposition of such action, as authorized by the Board of Directors, upon receipt of an undertaking by or on behalf of the director, officer, employee, agent or volunteer to repay such amount should it ultimately be determined that he or she is not entitled to be indemnified hereunder.

**Section 2: Insurance.** The Board of Directors may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, agent or volunteer of the Association against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify such person against such liability hereunder.

#### **AMENDED AND RESTATED BYLAWS OF THE ASSOCIATION OF INDUSTRIAL REAL ESTATE BROKERS**

**Adopted: October 12, 2010**