

IREM Bylaws

Restatement of the Bylaws of the Institute of Real Estate Management of the NATIONAL ASSOCIATION OF REALTORS®. (*Incorporating Amendments to and including April 14, 2015.*)

Article I: Name and Office

Section 1. Name. The name of the Institute shall be the Institute of Real Estate Management of the NATIONAL ASSOCIATION OF REALTORS®.

Section 2. Office. The principal office of the Institute shall be in Cook County, Illinois. The Institute may have such other offices as may from time to time be designated by the Governing Council.

Article II: Objectives

The objectives of this Institute shall be to improve and promote the professional development and stature of those individuals and organizations engaged in the field of real estate management.

To this end, the Institute shall:

2.01 Certify or accredit qualified individuals and organizations engaged in the management of real property.

2.02 Establish rules of professional conduct and standards of practice to encourage professional real estate management services offered to the investing and general public.

2.03 Initiate and maintain programs of research pertinent to the field of real estate management and disseminate the knowledge gained to its membership and the investing and general public.

2.04 Develop, conduct, and evaluate educational programs and materials to broaden the knowledge and professional competence of members, applicants for membership, and other persons interested in real estate management.

2.05 Create, if appropriate, administer, and operate a foundation or foundations, as a separate entity or entities, to perform or engage in such functions or activities as deemed necessary and proper.

2.06 Render public service to appropriate government officials and bodies by providing advice and counsel in matters regarding the management of real property.

2.07 Continually encourage the exchange of ideas and experience within its membership and the public to increase the knowledge and competence of its membership and take such steps as may be appropriate to make available to the public its knowledge, position, and views in matters relating to real property.

2.08 Identify and promote the professional services offered by the Institute and its members.

Article III. Membership.

The categories of membership shall be designated members and nondesignated members.

Section 1. Designated members shall be those individuals who hold the CERTIFIED PROPERTY MANAGER (CPM) designation awarded by the Institute of Real Estate Management and who, if they reside in the United States, further hold some form of membership in a member board of the NATIONAL ASSOCIATION OF REALTORS. Only designated members are eligible to hold elective office in the Institute of Real Estate Management.

1.01 CERTIFIED PROPERTY MANAGER (CPM) Members shall be those individuals who:

1.011 Upon written application to and approval by the Institute, have been granted and continue to maintain the CPM designation, in accordance with policies established by the Governing Council.

1.012 Subscribe to the bylaws and the IREM Code of Professional Ethics.

1.013 Hold membership in a chapter of the Institute of Real Estate Management, unless chapter membership is not available for such individuals.

1.014 Meet other such requirements as may be established by the Governing Council and not inconsistent with these bylaws.

1.015 Have such rights, benefits, and obligations as may be determined by the Governing Council. Further, only CPM Members may use the designation CPM and CERTIFIED PROPERTY MANAGER in connection with the member's name or signature, wear the official emblem of CPM membership, and display in the member's place of business the official certificate of CPM membership.

Section 2. Nondesignated members shall include:

2.01 ACCREDITED RESIDENTIAL MANAGER (ARM) Members, who shall be those individuals who:

2.011 Upon written application to and approval by the Institute, have been granted and continue to maintain the ARM certification, in accordance with policies established by the Governing Council.

2.012 Subscribe to the bylaws and the IREM Code of Professional Ethics.

2.013 Hold membership in a chapter of the Institute of Real Estate Management, unless chapter membership is not available for such individuals.

2.014 Meet other such requirements as may be established by the Governing Council and not inconsistent with these bylaws.

2.015 Have such rights, benefits, and obligations as may be determined by the Governing Council.

Further, only ARM Members may use the certification ARM and ACCREDITED RESIDENTIAL MANAGER in connection with the member's name or signature, wear the official emblem of ARM membership, and display in the member's place of business the official certificate of ARM membership.

2.02 CPM Candidate Members, who shall be those individuals who:

2.021 Upon written application to and approval by the Institute, have been determined to meet and continue to maintain the requirements for CPM candidacy, in accordance with policies established by the Governing Council.

2.022 Subscribe to the bylaws and the IREM Code of Professional Ethics.

2.023 Hold membership in a chapter of the Institute of Real Estate Management, unless chapter membership is not available for such individuals.

2.024 Meet other such requirements as may be established by the Governing Council and not inconsistent with these bylaws.

2.025 Have such rights, benefits, and obligations as may be determined by the Governing Council.

2.03 Associate Members, who shall be those individuals who:

2.031 Upon written application to and approval by the Institute, have been determined to meet and continue to maintain the requirements for Associate membership, in accordance with policies established by the Governing Council.

2.032 Subscribe to the bylaws and the IREM Code of Professional Ethics.

2.033 Meet other such requirements as may be established by the Governing Council and not inconsistent with these bylaws.

2.034 Have such rights, benefits, and obligations as may be determined by the Governing Council.

2.04 ACCREDITED COMMERCIAL MANAGER (ACoM) Members, who shall be those individuals who:

2.041 Upon written application to and approval by the Institute, have been granted and continue to maintain the ACoM certification, in accordance with policies established by the Governing Council.

2.042 Subscribe to the bylaws and the IREM Code of Professional Ethics.

2.043 Hold membership in a chapter of the Institute of Real Estate Management, unless chapter membership is not available for such individuals.

2.044 Meet other such requirements as may be established by the Governing Council and not inconsistent with these bylaws.

2.045 Have such rights, benefits, and obligations as may be determined by the Governing Council.

Further, only ACoM Members may use the ACoM and ACCREDITED COMMERCIAL MANAGER certification in connection with the member's name or signature, wear the official emblem of ACoM membership, and display in the member's place of business the official certificate of ACoM membership.

2.05 Student Members, who shall be those individuals who:

2.051 Upon written application to and approval by the Institute, have been determined to meet and

continue to maintain the requirements for Student membership, in accordance with policies established by the Governing Council.

2.052 Meet other such requirements as may be established by the Governing Council and not inconsistent with these bylaws.

2.053 Have such rights, benefits, and obligations as may be determined by the Governing Council.

2.06 Academic Members, who shall be those individuals who:

2.061 Upon written application to and approval by the Institute, have been determined to meet and continue to maintain the requirements for Academic membership, in accordance with policies established by the Governing Council.

2.062 Subscribe to the membership pledge of the Institute.

2.063 Meet other such requirements as may be established by the Governing Council and not inconsistent with these bylaws.

2.064 Have such rights, benefits, and obligations as may be determined by the Governing Council.

2.07 Other categories of nondesignated membership as may be established by the Governing Council and not inconsistent with these bylaws.

Section 3. Emeritus Membership status. Emeritus status may be granted to those CPM and ARM Members who meet such requirements as may be established by the Governing Council and not inconsistent with these bylaws. Those who hold emeritus status shall have such rights, benefits, and obligations as may be determined by the Governing Council.

Section 4. Membership Voting Status. Any member with voting privileges shall be entitled to vote as a member in good standing.

Section 5 Duration of Membership and Resignation. Membership in this Institute may terminate by voluntary withdrawal or otherwise in accordance with these Bylaws and policies as may be adopted by the Governing Council. All rights, privileges, and interests of a member in or to the Institute, including use of designations and/or certifications, shall cease on the termination of membership. By giving written notice of such intention to the Executive Vice President, any member may withdraw from membership. Withdrawals shall be effective as of the last day of the fiscal year for which financial obligations are met or the date of written notice whichever is earlier.

Section 6. Suspension and Expulsion.

6.01 Any membership or status may be suspended or terminated for cause. Sufficient cause for such suspension or termination of membership or status shall be a violation of the Bylaws, policies, IREM Code of Professional Ethics, professional pledge of the Institute, or any lawful rule or practice duly adopted by the Institute, or any other conduct prejudicial to the best interests of the Institute or as provided in Section 6.02 of these Bylaws. Upon the decision of the appropriate ethics board, or the completion of the appeal process before the Ethics Appeal Board, suspension or expulsion shall become effective in accordance with policies adopted by the Governing Council.

6.02 Upon the presentation of sufficient evidence to the appropriate ethics board, any membership or status may be:

6.021 Suspended if the member or holder of the status has been formally charged by legal authorities with having committed a criminal offense arising out of property management and/or related real estate activities; and

6.022 Terminated for conviction of any crime arising out of property management and/or related real estate activities; or commission of an act, or failure to act, resulting in the loss of one's legal right to engage in real estate activities;

6.023 Provided, however, that upon a showing to the appropriate ethics board of cause as to why the membership or status should not be suspended or terminated, such membership or status may be retained.

6.03 The Ethics Committee shall have sole authority to determine the type of evidence to be presented to it pursuant to this section, to determine whether sufficient evidence or cause within the meaning of this section has been presented to it, and to establish such other procedures as may be necessary.

Section 7. Reinstatement. Reinstatement to membership shall be in accordance with such policies as the Governing Council may adopt.

Section 8. Rights of Others. The Governing Council also may authorize Chapters or others to use the designations, certification, accreditations, marks, emblems, keys, and other indicia of the Institute in accordance with these Bylaws and such policies as may be adopted by the Governing Council.

Article IV: Fees, Dues, and Assessments

Section 1. Establishment of Fees, Dues, and Assessments. The annual fees, dues, and assessments for members shall be determined by the Governing Council. Annual Chapter fees, dues, and assessments for members shall be determined by the Chapter.

Section 2. Nonpayment. Members who fail to pay their fees, dues, and assessments within thirty (30) days from the time the same become due shall be notified, and, if payment is not made within the next succeeding sixty (60) days, may, without further notice, be dropped from the rolls and thereupon forfeit all rights and privileges of membership; provided that the Governing Council may by policy prescribe procedures for extending the time for payment of fees, dues, and assessments and continuation of membership privileges upon written request of a member and for good cause shown.

Section 3. Exceptions. Notwithstanding anything in this article to the contrary, past presidents of the Institute shall not be required to pay annual dues, fees, or such other charges as may be determined by the Governing Council.

Article V: Governing Council

Section 1. Authority. The Governing Council shall have supervision, control, and direction of the affairs of the Institute, shall determine its policies or changes therein within the limits of the Bylaws, shall actively prosecute its purposes, and shall have discretion in the disbursement of funds. It may adopt such policies for the conduct of its business as shall be deemed advisable and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

Section 2. Composition. The Governing Council shall be composed of:

- 2.01 Seventy-five members elected in accordance with these Bylaws;
- 2.02 All past presidents of the Institute who continue to hold active membership;
- 2.03 The President;
- 2.04 The President-Elect;
- 2.05 The Secretary/Treasurer;
- 2.06 The Senior Vice Presidents;
- 2.07 The Regional Vice Presidents;
- 2.08 One person appointed by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®;
- 2.09 The representative of the Institute on the Executive Committee of the NATIONAL ASSOCIATION OF REALTORS®;
- 2.10 The current president, or, in his or her absence, the incoming president, of each Chapter chartered by the Institute;
- 2.11 The president of the Institute of Real Estate Management Foundation;
- 2.12 One ACCREDITED RESIDENTIAL MANAGER (ARM) from each IREM region; and
- 2.13 Any other members of the Executive Committee not heretofore named.

2.14 No person serving on the Governing Council pursuant to Sections 2.02 through and including 2.07 and 2.09 shall also serve on the Governing Council as a member elected pursuant to Section 2.01. In the event a person is an elected member of the Governing Council and also a president of a Chapter eligible to serve on the Governing Council pursuant to Section 2.10, such person shall have but one vote on the Governing Council.

Section 3. Election of Councillors.

3.01 Governing Councillors shall be members elected by the membership present at the annual meeting of members for a term of three (3) elective years from the conclusion of the annual meeting, or for any unexpired term, and until their successors shall have been elected and qualified.

3.02 Individuals seeking election as Councillors shall be nominated only by either the Nominating Committee or by a petition signed by at least twenty-five (25) members of which not more than ten (10) are members of any single Chapter, delivered to the Executive Vice President ten (10) days in advance of the date set for the election. The names of those individuals to be nominated by the Nominating Committee shall be reported to the membership at least thirty (30) days in advance of the date set for the election.

3.03 If more persons shall have been nominated for a position to be elected at the annual meeting than there are vacancies to be filled on the Governing Council, the election shall be by ballot, and the number of candidates equal to the number of vacancies receiving the highest number of votes cast shall be declared elected. Such election shall be conducted in accordance with such policies as may be adopted by the Governing Council.

3.04 No elected member of the Governing Council, after having been elected and having served two full consecutive three-year terms, shall be eligible for re-election until one year's time shall have elapsed.

Section 4. Absence. Any member of the Governing Council unable to attend a meeting of the Governing Council shall, in a letter addressed to the President or Executive Vice President, state the reason for that person's absence. If a member of the Governing Council is absent from two (2) consecutive meetings for reasons which the President has failed to declare to be sufficient, that person's resignation shall be deemed to have been tendered and accepted.

Section 5. Compensation. Governing Councillors as such shall not receive any stated compensation for their services as Councillors or officers, but the Council may, by resolution, authorize reimbursement of expenses incurred in the performance of their duties. Such authorization may prescribe procedures for approval and payment of such expenses by designated officers of the Institute. Nothing herein shall preclude a Councillor from serving the Institute in any other capacity and receiving compensation for such services.

Section 6. Resignation or Removal. Governing Councillors may resign at any time by giving written notice to the President or Executive Vice President. Such resignations shall take effect at the time specified therein or, if no time is specified, at the time of acceptance thereof by the President of the Governing Council. Any Governing Councillor may be removed by a two-thirds vote of the Councillors present at any regular or special meeting.

Section 7. Vacancies. Any vacancies occurring on the Governing Council may be filled for the unexpired term by appointment by the President on recommendation by the Nominating Committee. Any such appointment shall be submitted to the Governing Council at the next meeting for confirmation.

Article VI: Meetings

Section 1. Annual. The Annual meeting of the members and the Governing Council of the Institute shall be held at the time and place ordered by the Institute's Executive Committee. Written notice of such meetings shall be sent to each person entitled to receive notice at least ten (10) but not more than forty-five

(45) days in advance of the date of the meeting with a statement of the time and place of the meeting.

Section 2. Other. Other regular meetings of the Governing Council and committees may be held in conjunction with other IREM meetings or as otherwise ordered by the Institute's Executive Committee. Written notice of such meetings shall be sent to each person entitled to receive notice at least ten (10) but not more than forty-five (45) days in advance of the date of the meeting with a statement of the time and place of the meeting.

Section 3. Special. Special meetings of the members or Governing Council may be called by the President or the Executive Committee or shall be called by the President upon the written request of twenty-five (25) members of the Governing Council for Governing Council meetings and at least one hundred (100) members, of which not more than twenty-five (25) may be of any one Chapter, for members' meetings. Written notice of any special meeting shall be mailed to each person entitled to receive notice at least ten (10), but not more than forty-five (45), days in advance of the date of the meeting with a statement of time and place and information as to the subject or subjects to be considered.

Section 4. Open Meetings of Members. Institute membership meetings shall be open to members of the NATIONAL ASSOCIATION OF REALTORS®, provided, however, that only Institute members shall be entitled to the privilege of the floor or to participate in the discussion or to vote on such matters which are appropriate for vote by such members. All regular sessions of the Governing Council and Institute, committees, and boards shall be open to all members, except the Executive, Nominating, and Ethics and Discipline Committees and such other committees or boards as may be designated by the Executive Committee as closed meetings. Notwithstanding, however, the provisions of this Section, the presiding officer may invite or allow others to attend or otherwise speak at any meeting.

Section 5. Quorum. A quorum for membership meetings shall be those present or represented by proxy and entitled to vote at the time the vote is taken. A quorum for Governing Council meetings shall be a majority of the members who are entitled to vote.

Article VII: Officers

Section 1. Elective Officers. The elective officers of the Institute shall be the President, President-Elect, Secretary/Treasurer, and Regional Vice Presidents. The Executive Committee may appoint such other officers as it deems necessary, including assistant secretaries and assistant treasurers.

Section 2. Election of Officers

2.01 President-Elect. The President-Elect shall be a CPM Member elected by the Governing Council, after nomination by either the Nominating Committee or by petition signed by at least fifteen (15) members of the Governing Council delivered to the Executive Vice President at least ten (10) days in advance of the dates set for the election. Each Councillor shall be entitled to one vote. Should there be more than one nominee, election shall be by secret ballot and conducted in accordance with such policies as may be adopted by the Governing Council. If the office becomes vacant, the Governing Council shall elect, at the next meeting of the Governing Council thereafter, a successor to serve for the remainder of the term in the manner provided herein.

2.02 Regional Vice Presidents. Regional Vice Presidents shall be CPM Members elected by the Governing Council to represent each region established by the Governing Council after nomination by either the Nominating Committee or by petition signed by at least fifteen (15) members of the Governing Council delivered to the Executive Vice President at least ten (10) days in advance of the date set for the election.

2.03 Secretary/Treasurer. The Secretary/Treasurer shall be a CPM Member elected by the Governing Council after nomination by either the Nominating Committee or by petition signed by at least fifteen (15)

members of the Governing Council delivered to the Executive Vice President at least ten (10) days in advance of the date set for the election.

2.04 Report of Nominating Committee. The names of all candidates to be nominated by the Nominating Committee shall be reported to the members at least thirty (30) days in advance of the date set for the election.

2.05 Contested Election Procedures. If more than one person has been nominated for a position to be elected, the election shall be by secret ballot and the candidate receiving the highest number of votes cast shall be declared elected. Such election shall be conducted in accordance with such policies as may be adopted by the Governing Council.

Section 3. Term. Each elective officer and the President shall take office upon the conclusion of the annual meeting of the Institute and shall serve, with the exception of Regional Vice Presidents, for a term of one (1) year and until a successor is duly elected and qualified. Each Regional Vice President shall serve for a term of two (2) years and until a successor is duly elected and qualified.

Section 4. Duties of Officers.

4.01 President. The President shall have served the immediate preceding term or part thereof as President-Elect. The President shall be the principal elective officer of the Institute, shall preside at meetings of the Institute and of the Governing Council and of the Executive Committee, and shall be a member *ex officio*, with right to vote, of all committees. The President also shall, at the annual meeting of the Institute and at such other times as the President shall deem proper, communicate to the Institute or the Governing Council such matters and make such suggestions as may, in the President's opinion, tend to promote the welfare and increase the usefulness of the Institute, and shall perform such other duties as are necessarily incident to the office of President or as may be prescribed by the Governing Council.

4.02 President-Elect. The President-Elect may be delegated by the President to perform the President's duties in the event of the President's disability or absence from meetings and shall have such other duties as the President or the Executive Committee may assign. In the event of a vacancy in the office of the President, the President-Elect shall become the President and shall complete the remaining unexpired term and shall also serve as President for the next immediate term.

4.03 Regional Vice Presidents. Regional Vice Presidents shall supervise the work of the Institute in their respective regions and perform such other duties as the President or Executive Committee may assign.

4.04 Secretary/Treasurer. The Secretary/Treasurer shall give notice of and attend all meetings of the Institute, keep a record of all proceedings, attest documents, and perform such other duties as are usual for such office or as may be assigned to the Secretary/Treasurer by the President or the Executive Committee. The duties of the Secretary/Treasurer may, in part, be assigned to the Executive Vice President or Executive Vice President's designee or to such others as may be designated by the Executive Committee.

Section 5. Corporate Secretary/Treasurer. In addition to the Secretary/Treasurer, there shall be a Corporate Secretary/Treasurer who shall be the Institute's Executive Vice President and who shall perform the ministerial responsibilities customarily assigned to the office of Secretary/Treasurer by the laws of the State of Illinois and shall perform such responsibilities in accordance with these Bylaws and as directed by the Executive Committee.

Section 6. Institute Representative to the Executive Committee of the NATIONAL ASSOCIATION OF REALTORS®. One member shall be appointed by the then President-Elect, subject to the approval of the Governing Council, to serve as the Institute's representative to the Executive Committee of the NATIONAL ASSOCIATION OF REALTORS®. Such representative shall serve a term of two (2) years and until a successor is appointed and qualified, commencing at the conclusion of the Annual Meeting. Vacancies in this office shall be filled for the remaining unexpired term by appointment by the then President subject to approval by the Executive Committee. Such representative may be removed from office by a two-thirds vote of the

members of the Governing Council present at a duly called meeting of the Council.

Section 7. Vacancy. Any vacancy not otherwise provided for in these Bylaws occurring in the offices of the Institute may be filled for the unexpired term by appointment by the President on recommendation by the Nominating Committee.

Section 8. Removal. Any officer may be removed from office by a two-thirds vote of the members of the Governing Council present at a duly called meeting of the Council.

Article VIII: Executive and Staff

Section 1. Appointment. The Executive Committee shall employ, and may terminate at will, a salaried staff head who shall have the title of Executive Vice President or such other title as may be determined by the Executive Committee and whose term and conditions of employment shall be specified by the Executive Committee.

Section 2. Authority and Responsibility. The Executive Vice President shall be the chief executive of the Institute responsible for all management functions. The Executive Vice President shall manage and direct all activities of the Institute as prescribed by the President and Executive Committee. The Executive Vice President shall employ and may terminate the employment of members of the staff necessary to carry on the work of the Institute and fix their compensation within the approved budget. The Executive Vice President shall define the duties of the staff, supervise their performance, establish their titles, and delegate those responsibilities of management as shall, in the Executive Vice President's judgment, be in the best interest of the Institute consistent with the objectives of the Institute.

Article IX: Committees and Appointments

Section 1. Appointment. Senior vice presidents and Standing Committee Chairmen shall be appointed for the next year by the then President-Elect, subject to the approval of the Governing Council. All other Committee and Board members and officers shall be appointed by the then President-Elect for the next year or by the then President if the person appointed is to take office during the term of the President. Such members and officers shall take office upon the conclusion of the Annual Meeting of the Institute following appointment and shall serve a term of one (1) year, except as may be provided in the Institute's policies, and until such officer or member successor has been appointed and qualified. Vacancies on any Committee or Board may be filled by appointment by the President.

Section 2. Meetings. Committees and Boards may meet during and at the place of the regular meetings of the Institute and at such other times and places as the respective Chairmen may direct.

Section 3. Actions. The actions of any Committee involving policy matters or budget shall be in the form of recommendations for consideration and approval by the Executive Committee and then, if favorably recommended by the Executive Committee, such recommendations shall be submitted for consideration to the Governing Council. In the event the Executive Committee declines to favorably recommend a matter to the Governing Council, a two-thirds vote of the Councillors present and voting at a meeting of the Governing Council may bring the matter before the Governing Council for consideration and determination.

Section 4. Standing Committees. The Standing Committees shall be:

- 4.01 Audit and Investments
- 4.02 Education and Knowledge Products
- 4.03 Ethics
- 4.04 Executive

- 4.05 Legislative and Public Policy
- 4.06 Membership and Credentialing
- 4.07 Nominating
- 4.08 Regional Vice Presidents
- 4.09 Other Standing Committees as may be established and dissolved by the Governing Council.

Section 5. Duties, Responsibilities, and Governance. Not inconsistent with these Bylaws, Committees and Boards shall have those duties and responsibilities and be governed by those policies as may be adopted by the Governing Council.

Section 6. Executive Committee. The Executive Committee shall consist of the President, as Chairman, the immediate Past President, the President-Elect, the Secretary/Treasurer, the Senior Vice Presidents, the Institute's representative to the Executive Committee of the NATIONAL ASSOCIATION OF REALTORS®, the President of the IREM Foundation or duly named designee appointed by the IREM Foundation President from its Board of Directors, at least one ACCREDITED RESIDENTIAL MANAGER Member, and as many additional eligible members as are needed to bring the total to 20. The Executive Committee shall consider all policy matters for recommendation or report to the Governing Council and make decisions or recommendations on such policy and fiscal matters on behalf of the Governing Council. The Executive Committee may exercise the powers of the Governing Council when the Governing Council is not in session, reporting to the Governing Council at its next succeeding meeting any action taken.

ARTICLE X: AMO -- ACCREDITED MANAGEMENT ORGANIZATION

In accordance with policies as may be adopted by the Governing Council, the Institute, after proper qualification, the status of ACCREDITED MANAGEMENT ORGANIZATION may be granted to an organization which has a minimum of at least one CPM Member in its employ or as a partner or as a proprietor. Such organizations shall have such rights and responsibilities as may be determined by the Governing Council.

Article XI: Chapters and Regions

Section 1. Chapters. In accordance with policies as may be adopted by the Governing Council, the Governing Council may charter groups of members to be Chapters of the Institute upon application of members who are within a similar geographic area. Such Chapters shall have rights, privileges, and responsibilities as may be determined by the Governing Council. The Governing Council shall have the right to revoke charters in accordance with such policies as may be adopted by the Governing Council.

Section 2. Regions. Regions may be established by the Governing Council. Chapters may be placed in Regions by the Governing Council and, when applicable, the affairs and activities of the Region shall be directed by the Regional Vice President in accordance with policies adopted by the Governing Council.

Article XII: Miscellaneous

Section 1. Policies. The Governing Council, Committees, and Boards of the Institute shall operate in accordance with policies as may be adopted by the Governing Council. The Councillors present and voting at any regular meeting of the Governing Council, by a two-thirds vote favoring such action, may adopt or amend any such policy. The policies shall be binding, but, in cases of conflict, the Bylaws shall take precedence.

Section 2. Fiscal Year. The fiscal year shall be as determined by the Governing Council.

Section 3. Seal. The Institute shall have a seal of such design as the Governing Council may adopt.

Section 4. Use of Funds and Dissolution. The Institute 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 Institute. On dissolution of the Institute, any funds remaining shall be distributed to one or more regularly organized and qualified professional societies, trade associations, or charitable, educational, scientific, or philanthropic organizations to be selected by the Executive Committee.

Section 5. Indemnification. The Institute shall indemnify and hold harmless each person who is now or shall hereafter serve as a Councillor, Committee, or Board Chairman, officer, employee, or agent of the Institute from and against any and all claims and liabilities, whether the same are settled or proceed to judgment, to which such person shall have become subject by reason of his having heretofore or hereafter been a Councillor, Committee, or Board Chairman, officer, employee, or agent of the Institute, or by reason of any action alleged to have heretofore or hereafter taken or omitted by him as such a Councillor, Committee, or Board Chairman, officer, employee, or agent, and shall reimburse each such person for all legal and other expenses (including the cost of settlement) reasonably incurred by such person in connection with any such claims, liabilities, suits, actions, or proceedings; provided, however, that no such person shall be indemnified against or be reimbursed for any claims, liabilities, costs, or expenses incurred in connection with any claim or liability, or threat or prospect thereof, based upon or arising out of such person's negligence or willful misperformance of that person's duties as such Councillor, Committee, or Board Chairman, officer, employee, or agent. The determination of all questions as to the existence of negligence or willful misconduct, as to the right to indemnification and reimbursement hereunder, and the reasonableness of such costs and expenses may be made and shall be final and conclusive if made by the Governing Council acting at a meeting at which a quorum is unaffected by self-interest (notwithstanding that other members of the quorum present but not voting may be so affected). The rights accruing to any person under the provisions of this Section shall not exclude any other rights to which he may be lawfully entitled, nor shall anything herein contained restrict the right of the Institute to indemnify or reimburse such persons in any case even though not specifically provided for herein.

Section 6. Limitations as to NATIONAL ASSOCIATION OF REALTORS®. The Institute shall not commit the NATIONAL ASSOCIATION OF REALTORS® to any expenditures or commitments of the Institute in excess of funds of the Institute unless such expenditures or commitments shall first have been approved by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

Section 7. Regional and Chapter Liabilities. The Institute shall not assume any liability for any expenditures or any commitments of any Region or Chapter of the Institute, unless such expenditures or commitments shall first have been approved by the Governing Council of the Institute.

Section 8. Approval by the NATIONAL ASSOCIATION OF REALTORS®. Except as to those matters set forth and interpreted in accordance with Article XX of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®, any action of this Institute shall be subject to the approval of the NATIONAL ASSOCIATION OF REALTORS®.

Section 9. Procedures. Except when inconsistent with these Bylaws and policies adopted by the Governing Council, Robert's Rules of Order, most recent edition, shall govern all meetings.

Article XIII: Amendments

These Bylaws shall be subject to addition, amendment, or revision by the Governing Council of the Institute provided:

(a) Written notice of the substance of the proposed changes shall have been sent to members of the Institute not less than thirty (30) days in advance of the meeting of the Governing Council at which action is to be taken;

(b) Two-thirds of the Councillors present and voting at such meeting shall vote in favor thereof; and
(c) The change or changes shall have been approved by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS® before becoming effective, except that this subparagraph (c) shall not be applicable to amendments dealing with matters in the areas of rights and responsibilities set forth and interpreted in accordance with Article XX of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®.

Article XIV: Effect of Certain Sections

Section 8 of Article VII and subparagraph (c) of Article VIII of these Bylaws shall not be applicable if two-thirds of the Governing Councillors present and voting at a duly called meeting of the Governing Council held within eight (8) months after the adoption by the NATIONAL ASSOCIATION OF REALTORS® of any amendment to Section 1(A)(4) and section 1(F) of Article III, Section 8 of Article III, Sections 1 and 2 of Article V, Section 6 of Article VIII, Article XIX and XX of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®, decline to accept such amendment and notification is given to the NATIONAL ASSOCIATION OF REALTORS®.