

AGREEMENT BETWEEN

Aurora Tri-County Association of REALTORS®
Belvidere Board of REALTORS®
Chicago Association of REALTORS®
Mainstreet Organization of REALTORS®
McHenry County Association of REALTORS®
Northern Illinois Commercial Association of REALTORS®
North Shore-Barrington Association of REALTORS®
Oak Park Area Association of REALTORS®
REALTOR® Association of the Fox Valley, Inc.
REALTOR® Association of Northwest Chicagoland
Three Rivers Association of REALTORS®
West Towns Board of REALTORS®

TO ESTABLISH MULTI-BOARD/ASSOCIATION PROFESSIONAL STANDARDS ENFORCEMENT PROCEDURES

Except as provided for otherwise in this agreement the policies and procedures established in the National Association's Code of Ethics and Arbitration Manual will control.

ARTICLE I. AUTHORITY

Section A. The authority for the establishment of Multi-Board/Association Professional Standards Enforcement Procedures shall be established by this Agreement approved by the Boards of Directors of each signatory Board/Association.

ARTICLE II. GEOGRAPHIC AREA

Section A. The geographic area served by this Agreement shall be the area of the combined territorial jurisdiction assigned by the NATIONAL ASSOCIATION OF REALTORS® to the Boards/Associations which are signatories to this Agreement.

ARTICLE III. PURPOSE

Section A. Purpose of this Agreement is to create Multi-Board/Association Professional Standards Enforcement Procedures providing for the appointment of Mediation Officers and the establishment of a joint Grievance Committee, Professional Standards Committee, and an Appeal Panel comprised of members from signatory Boards/Associations for enforcement of the Code of Ethics, including the mediation of disputes and the conduct of arbitration hearings, involving members of the signatory Boards/Associations to ensure impartial and unbiased hearing panels for the conduct of hearings on a basis designed to provide this service and meet the responsibilities of the signatory Boards/Associations on an efficient and effective basis to better serve their members.

ARTICLE IV. COMPOSITION OF TRIBUNALS

Section A. This Agreement authorizes the establishment of a Multi-Board/Association Grievance Committee. The Grievance Committee shall be composed of at least three (3) members in good standing of each signatory Board/Association. There must be at least three (3) to serve per case; one (1) from the Complainant's Board/Association, one (1) from the Respondent's Board/Association and one (1) from another Board/Association not associated with either the Complainant's or Respondent's Board/Association.

Section B. If five (5) members are selected to serve on the Multi-Board/Association Grievance Committee, there shall be one (1) from the Complainant's Board/Association; one (1) from the Respondent's Board/Association; and three (3) from other Boards/Associations not associated with either the Complainant's or Respondent's Board/Association.

Section C. Members of the Grievance Committee from each signatory Board/Association shall be appointed by the Presidents of the respective Boards/Associations, subject to confirmation by the respective Boards of Directors, provided that the President shall have the power to appoint, on a timely basis, and without necessity of confirmation by the Board of Directors, a substitute member to the Committee for any member from their respective Boards/Associations who may be unable to serve for any reason.

Section D. There must be at least eighteen (18) individuals serving on the Multi-Board/Association Grievance Committee, and it is desirable that the number be greater to provide an adequate number of members to handle the anticipated case load without undue stress.

Section E. This Agreement also authorizes the establishment of a Multi-Board/Association Professional Standards Committee. The members of the Professional Standards Committee shall be appointed by the Presidents of the respective Boards/Associations, subject to confirmation by the respective Boards of Directors, provided that the Presidents shall have the power to appoint, on a timely basis, and without necessity of confirmation by the Board of Directors, a substitute member to the Committee for any member from their respective Boards/Associations who may be disqualified for any valid reason from hearing a particular matter.

Section F. A Professional Standards hearing panel shall be composed of at least three (3) members in good standing from signatory Board/Associations. There will be at least one (1) member from the Complainant's Board/Association; at least one (1) member from the Respondent's Board/Association; one (1) neutral Chairperson of the remaining member(s) from any signatory Boards/Associations.

Section G. Staff at the Board/Association administering the ethics or arbitration process will ask one of the panel members who is not associated with either the Complainant's or Respondent's Board/Association to be the Chairperson of the ethics or arbitration hearing.

Section H. There must be at least thirty (30) individuals serving on the Multi-Board/Association Professional Standards Committee, and it is desirable that the number be greater to provide an adequate number of members to handle the anticipated case load without undue stress.

Section I. Members of the Grievance Committee and the Professional Standards Committee shall be appointed initially in terms of one (1), two (2), and three (3) years (one-third for each term). Members of the Committees shall be eligible for reappointment.

Section J. This Agreement also authorizes the appointment of a panel of Mediation Officers to include at least one (1) such Mediation Officer from each signatory Board/Association. Although utilization of the service of mediation shall be voluntary, and although the process is not defined as a tribunal, all parties to any requested arbitration shall be provided the opportunity to mediate a dispute arising out of a real estate transaction and their relationship as REALTORS® prior to the arbitration of the dispute. There shall be only one Mediator per case, and the Mediator shall not be a member of either the Complainant's or Respondent's Board/Association.

Section K. Cases involving non-residential properties must have tribunals composed of those who specialize in non-residential properties.

Section L. Any individual, pursuant to Board of Choice, who participates in MRED, LLC (formerly MLSNI) but who is not a member of any of the signatory Boards/Associations will have the Boards/Associations through which he or she makes application to participate in MRED, LLC (formerly

MLSNI) be considered as the party's Board.

ARTICLE V. OPERATION

Section A. The filing and handling of all documents will be through the Complainant's Board/Association. The Complainant's primary Board/Association staff in which the Complainant is a primary member, or Complainant's primary Board/Association staff through which the Complainant, pursuant to Board of Choice, makes application to participate in MRED, LLC (formerly MLSNI), will handle all necessary paper work. The hearing will take place at the Complainant's primary Board/Association or through the Board/Association which the Complainant, pursuant to Board of Choice, makes application to participate in MRED unless staff negotiates with another Board/Association staff to take over a particular case.

1. If the Respondent is a secondary member of the Complainant's Board/Association, or makes application to participate in MRED through the Complainant's Board/Association, the complaint will not be handled through the Multi-Board/Association Agreement. It will be considered in the Complainant's primary Board/Association, unless requested by the one or both of the parties and to be determined by staff otherwise to be heard by a Multi-Board/Association hearing panel.

Section B. Professional Standards hearings and the organization and procedures incident thereto shall be governed by the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS® as amended from time to time, and as adapted to conform to the provisions of applicable state law, and which is hereby agreed shall be considered as adopted and incorporated into the Bylaws of each Board/Association signatory to this Agreement.

The Complainant's primary Board/Association, or the Board/Association through which the Complainant gains access to and use of MLS will be responsible for administering the procedures and all optional provisions (see page i and ii of the National Association of REALTORS® *Code of Ethics and Arbitration Manual*) of that Board/Association will control.

1. If the AE or staff decides that (a) an arbitrable issue exists and the matter is subject to mandatory arbitration, then they would refer the matter to a hearing before an arbitration hearing panel. If the AE or staff decides that an arbitrable issue does not exist then the request would be dismissed. An appeal of the decision that an arbitrable issue does not exist, is not timely filed, or that it is voluntary and not mandatory etc. will be determined by a tribunal of not less than five (5) members of the Multi Board Professional Standards Committee. If the AE or staff decides a matter is arbitrable on a voluntary basis then the matter would go to arbitration but only if all parties voluntarily agreed to participate and to be bound by the decision. Staff may request the Grievance Committee carry out their function as outlined in this paragraph.
2. The Grievance Committee will hold regularly-scheduled meetings or, alternatively will meet often enough to ensure timely review of all ethics complaint and arbitration requests, as needed.
3. The Grievance Committee may render their decision on an Arbitration request or an Ethics complaint through a conference call, via webcam/web meeting, or other telecommunication methods.
4. Only the Ethics complaint or Arbitration request will be sent to the Grievance Committee. The Grievance Committee may, if it deems it appropriate, send a copy of the complaint/request to the party complained of and require the Respondent to furnish a response before the Grievance Committee makes its determination.
5. Negotiations in selecting a hearing date may be made through e-mail however, the official notice of a hearing must be by mail, return receipt requested.

6. Notification of a complaint must be given to the other Board/Association via e-mail upon receipt of a written complaint/request.

Section C. Appeal to an ethics, arbitration, and Grievance determination rendered by the Multi-Board/Association Professional Standards Committee or Grievance Committee shall be heard by those members of the respective Committees who did not comprise the original hearing panel or Grievance Committee tribunal. (For this reason, there should be an adequate number of members appointed to the respective Committees to provide an Appeal panel of at least five (5) members.) An appeal panel must be comprised of at least five (5) members of the Professional Standards Committee or Grievance Committee, whichever appropriate, of which one must be from the Complainant's Board/Association and one from the Respondent's Board/Association, with the remaining three (3) from three Boards/Associations other than the Complainant's and Respondent's Association.

Section D. Appeal is not provided for the decision of an arbitration panel established under this Agreement, except with respect to a claim by a party alleging deprivation of due process. An appeal panel must be comprised of at least five (5) members of the Multi-Board/Association Professional Standards Committee (who were not on the original hearing panel), of which an equal number must be from the Complainant's Board/Association, and from the Respondent's Board/Association, with the remaining number from Boards/Associations other than the Complainant's and Respondent's Board/Association. The Chair must be from a neutral Board/Association.

Section E. Final determination of an ethics hearing, when not appealed, must be approved by the Board of Directors of the Board/Association of the member found in violation in an ethics hearing. This is true even when no violation of the Code of Ethics has been found to have occurred. Any determination made by a hearing panel (whether appealed or not) as finally determined when appealed will be provided to the Respondent's Board/Association for implementation purposes only. The member's Board/Association will carry out the sanction, collect any fines and keep those fines for their treasury.

Section F. The hearing panel may call an attorney for advice during a hearing and the cost will be borne by the Board/Association where the hearing is taking place. A Hearing Panel Chairman's request for an attorney to be present at a hearing must be approved by all Boards'/Associations' Boards of Directors involved in the case (Complainant, Respondent, hearing panel members) along with an agreement of how the charges will be shared by the Boards/Associations.

Section G. In matters of alleged unethical conduct, any determination rendered by a hearing panel of the Multi-Board/Association Professional Standards Committee will be provided to each respective party's Board/Association of original jurisdiction for informational purposes. In the event a party to arbitration refuses to pay an award in arbitration, the Board/Association in which the award recipient holds membership shall advise the award recipient to seek judicial enforcement as set forth in "*Initial Action By the Directors and Arbitration of Disputes*" Sections of the *Code of Ethics and Arbitration Manual*.

Section H. In the event a Complainant alleges that the Respondent has improperly refused to submit a dispute to arbitration, the allegation shall be brought before a tribunal of five (5) members selected from the Multi-Board/Association Professional Standards Committee appointed by the President of the appellant's Board/Association and chosen from the individuals who were not selected to serve on the original arbitration hearing panel in accordance with Article IV, Section B above). The procedures for notices, time of notices, and hearing prescribed for matters before a hearing panel shall apply. Upon determination that the member has refused to arbitrate a properly arbitrable matter, the tribunal of (5) members selected from the Multi-Board/Association Professional Standards Committee, who did not serve on the original arbitration hearing panel, may direct implementation of appropriate sanction, including suspension or expulsion of the member from the local Board/Association. The decision of the tribunal of five (5) members selected from the Multi-Board/Association Professional Standards

Committee shall be final and binding and is not subject to further review by the State Association or any signatory Board/Association to this Agreement.

ARTICLE VI. RESERVATION OF RIGHTS

Section A. It is understood and agreed by the Board's/Association's signatories to this cooperative Agreement that each Board/Association reserves to itself all authority, rights, and privileges as have been assigned to it by its Charter and Agreement with the NATIONAL ASSOCIATION OF REALTORS®, except as voluntarily modified by this cooperative Agreement.

Section B. These procedures will be used for all interboard arbitrations in place of Part Eleven, *Interboard Arbitration Procedures* in the Absence of Arbitration Facilities of the State Association, in the *Code of Ethics and Arbitration Manual*.

Section C. These procedures will be used for all ethics matters involving members from all signatory Boards/Associations.

Section D. It is further understood and agreed that any Board/Association signatory to this Agreement may withdraw from the Agreement at any time provided the withdrawing Board/Association shall provide notice to the other signatory Boards/Associations ninety (90) days in advance of the date of withdrawal.

ARTICLE VII. FEES

Section A. Each Board/Association shall determine the filing fee to be submitted by both the Complainant and Respondent. When a Complainant requests arbitration to determine which of multiple Respondents is entitled to disputed funds, or where a party makes no claim to the disputed funds, the Complainant may not be assessed an arbitration filing fee. Disposition of the parties' filing fees shall be determined by the hearing panel. Any filing fees retained by the Board/Association shall be used to cover hearing expenses.

Section B. Any costs incurred by a Multi-Board/Association Grievance Committee or Professional Standards Committee in ethics and arbitration proceedings shall be borne by the local Boards/Associations of the Complainant and Respondent and, in matters involving more than one Board/Association, as provided in the *Code of Ethics and Arbitration Manual* dealing with interboard arbitration.

SECTION VIII. EFFECTIVE DATE

This Agreement shall be effective on _____, 20____

IN WITNESS THEREOF, the parties have hereto set their hands and seals on the _____ day of _____, 20_____.

The effective date of this Agreement for Multi-Board/Association Professional Standards Enforcement Procedures shall be _____, 20_____.

ATTESTED BY

BOARD/ASSOCIATION OF REALTORS®

(President)

(Elected Secretary)

Date: _____, 20_____

/u/wp/terry/region/Multibd.PS

March 18, 2002

September 23, 2002

January 10, 2003

July, 2003

August 2004

January 7, 2005

May 25, 2006

September, 2006

May, 2008

September, 2008

November, 2008