

**BYLAWS OF THE
SOUTHWEST SUBURBAN
HOME BUILDERS ASSOCIATION**

ARTICLE I. Name Location

Section 1.1 The name of the Association shall be the SouthWest Suburban Home Builders Association, which is an Illinois not-for-profit corporation.

Section 1.2 The principal office of this Association shall be located at such place within the general trade area of this Association as the Board of Directors may from time to time designate.

ARTICLE 2. Territorial Jurisdiction

Section 2.1 The operations of this Association shall be conducted in the territory assigned to its jurisdiction now and hereafter by the National Association of Home Builders.

ARTICLE 3. Objectives and Powers

Section 3.1 This association shall operate as an affiliated association of the National Association of Home Builders and as an affiliated association of the Home Builders Association of Illinois.

Section 3.2 The objective of this Association shall be:

- a) To associate builders within the above described jurisdiction for the purpose of mutual advantage and cooperation.
- b) To cooperate with all branches of the building industry including manufacturers, dealers, financial institutions, labor unions and other building industry professionals for the purpose of mutual advantage and for the benefit of the industry as a whole.
- c) To maintain high professional standards and sound business methods among its members through the enforcement of the Code of Ethics of the Association.
- d) To secure cooperative action in advancing the common purpose of its members and the proper consideration of the opinions of all of its members upon questions affecting the building industry within its territorial jurisdiction as well as within Illinois and nationally.
- e) To support and assist the Home Builders Association of Illinois and the National Association of Home Builders in their legislative and administrative activities.
- f) To attempt to secure all those engaged in the home building and construction industry within its territorial jurisdiction as members of this association.
- g) To participate for the purpose of mutual benefit in an interchange of information and experience with all other local affiliated associations of the National Association of Home Builders of the United States.
- h) To operate without profit and no part of the income of the association shall inure to the benefit of any individual members pursuant to the Illinois statute governing non-profit organizations.
- i) To otherwise conduct and promote activities as a trade association for builders, remodelers and the building industry in the Southwest Suburbs of Chicago, and to conduct activities incidental and ancillary thereto.

ARTICLE 4. Membership

Section 4.1 Membership in this association shall be for five (5) general classes.

- a) Builder Membership
- b) Associate Membership
- c) Builder Affiliate Membership
- d) Associate Affiliate Membership
- e) Honorary Membership
- f) Municipal Advisory Membership

Section 4.2 Qualifications for initial and continued membership in the Association shall be determined in the sole discretion of the Board of Directors, based upon the following classifications:

- a) Builder membership shall be open to any person whose business is home building, remodeling, land development and general construction, who shall agree to abide by the provisions of the Bylaws and uphold ethical business standards for the industry (and any amendments thereof), and who shall meet with the approval of the Membership Committee and the Board of Directors.
- b) Associate membership shall be open to any person engaged in any allied trade, industry or profession, and who shall agree to abide by the Code of Ethics (and any amendments thereof) and who shall meet with the approval of the Membership Committee and the Board of Directors.
- c) Affiliate Builder membership shall be open to any person who is an employee of a builder member's company.
- d) Affiliate Associate membership shall be open to any person who is an employee of an associate member's company.
- e) Honorary membership shall be made available to any member, by the decision of the Board of Directors, who is retiring from active employment and/or ownership in business and is at the time a member in good standing of the SSHBA. Honorary members will be encouraged to serve on committees in a non-chairman position and this membership category will be a non-voting voice on by-law issues. Honorary members shall be listed in the Membership Directory of the Association and shall receive a monthly newsletter.
- f) Municipal Advisory membership shall be open to those municipality officials who are employed, elected or appointed from municipalities within the Southwest Suburban Home Builders Association general trade area. Said municipality officials' memberships will foster better communication with the Southwest Suburban Home Builders Association. The municipality membership will not be affiliated with the Home Builders Association of Illinois, National Association of Home Builders or to be on the Board of Directors of the Southwest Suburban Home Builders Association. A municipality official member may attend general membership meetings but may not be eligible to vote with the general membership. A municipality official may not serve as a director, officer or on a committee. The cost of the membership will be a nominal amount to cover mailings as approved by the Board of Directors.

Section 4.3 The association shall be comprised of at least fifteen (15) Builder Members and such other classes of members as provided in these bylaws. The Board of Directors may from time to time, limit the number of non-builder members.

Section 4.4 The membership of this association may be limited by the discretion of the Board of Directors. When the membership has been filled, applications may thereafter be taken, and shall be considered in the chronological order in each classification in which they have been filed. When an application is placed on the waiting list, such applicant shall not be required to deposit the first year's dues until such time as the application may be ready for admission to membership. A former member who seeks reinstatement shall not be given any preference by having his application placed on the top of the list or ahead in any way of waiting applicants.

Section 4.5 Applications for membership in this association shall be made to the Membership Committee and shall be processed in the following manner:

- a) The candidate shall submit his application in a form supplied by this association. Such form shall contain an agreement to abide by the Bylaws of the association.
- b) The application shall be accompanied by a payment in an amount as required by the then current policy as established by the Board of Directors. All payments so made shall be returned in full if membership is not approved.
- c) The Membership Committee shall investigate all applications for membership and make its recommendations to the Board of Directors in whom shall be vested the exclusive right to elect or reject any applicant.
- d) When elected to membership in this association pursuant to Section 4.1 (a), (b) or (c), applicant automatically becomes a member of the National Association of Home Builders and Home Builders Association of Illinois, and the applicant's dues in these associations shall be paid from the treasury of the association.

Section 4.6 Suspension, termination, reinstatement and transfer of membership in this Association shall be accomplished in the following manner:

- a) Dues, assessments and other charges unpaid for a period of thirty (30) days after they are due and payable shall render a member delinquent. Any delinquent member shall be given notice in writing before this membership is suspended and may, within five (5) days after the receipt of said notice, request a hearing before the Membership Committee for the purpose of presenting reasons why his membership should not be suspended. If such delinquent member does not request a hearing, his membership shall be suspended on date indicated in said notice. Such delinquent member then shall be deprived of all rights of membership.
- b) Any member of this Association may be denied admission or censored, suspended, or expelled from membership in this association by the Board of Directors, after such action is recommended by the Executive Committee and approved by the Board of Directors for any acts, conduct or business practices deemed detrimental to the building industry in the sole discretion of the Board of Directors, or upon determination that such member or prospective member can not or has not adhered to the Code of Conduct of the Association. No recommendation for such action shall be made by the Executive Committee to the Board of Directors unless the notice in writing specifies clearly and in detail the acts forming the basis for such proposed censure, suspension or expulsion and having been delivered to the member. The notice shall state that the accused member shall have twenty (20) days after receipt of notice to answer the charges contained therein. Such answer must be in writing directed to the President of the association. Such answer may also request a hearing before the Executive Committee at which time he may appear personally or by counsel. If desired, witnesses may be produced by the accused member or by any other party to the proceedings. It is the intent hereof, however, that no action shall be recommended by the Executive Committee unless a full and impartial hearing shall be allowed. In the event that the accused member does not answer the charge, or requests a hearing, the Executive Committee shall ascertain the veracity and accuracy of the charges, holding ex parte hearings if desired. Unless a majority of the Executive Committee votes to recommend censure, suspension or expulsion to the Board of Directors, no recommendation whatsoever shall be made to the Board nor shall any report of the accusations or hearing, if any, be made to the Board. The intent is to protect the reputation of any member against charges which

have been determined to be insufficient to justify a recommendation favoring the imposition of disciplinary penalties.

- c) A vote of two-third (2/3) of the Board of Directors present and voting shall be required to non-renew, censure, expel, suspend or reinstate any member.
- d) Any member expelled pursuant to the provisions of Section 4.6 (b) shall not be eligible for reinstatement for a period of not less than three (3) years from the date of expulsion.

Section 4.7 Meetings of the membership of the association shall be held as follows:

- a) An annual meeting of the membership of this association shall be held at such time and place as determined by the Board of Directors within the State of Illinois for the purpose of electing the Officers and the members of the Board of Directors and reviewing the affairs of the Association for the past year. The Board of Directors shall determine that date of the annual meeting in time to comply with all the requirements of the Bylaws.
- b) Regular meetings and events of the Association shall be held such times and places as determined by the Board of Directors. By action of the President or the Executive Committee, any regular meeting may be canceled or scheduled for some other day.
- c) Special meetings of the membership may be called at any time by the President, the Board of Directors, and the Executive Committee or upon the written request of ten (10) percent of the general membership, at least fifty (50) percent of whom must be Builder members. Such written request shall specify a date for such meeting which is not less than ten (10) days nor more than twenty (20) days from the date of such request.
- d) Notice shall be given of the date, hour and place of all membership meetings, including special and annual meetings, in writing to each member at least five (5) days in advance of the date of the meeting. Notice of any cancellation or change in date must also be given in the same manner unless such notice is impractical, in which event other means of notification may be utilized.

ARTICLE 5. Dues

Section 5.1 The dues of this Association shall be established by the Board of Directors for membership and shall include those required for membership in the National Association of Home Builders and the Home Builders Association of Illinois which this association shall collect and remit in accordance with the requirements of the National Association of Home Builders and the Home Builders Association of Illinois.

Section 5.2 The local portion of the Builder Affiliate dues shall be determined by the Board of Directors. Membership in the National Association of Home Builders and the Home Builders Association of Illinois shall be as determined by such organization annually.

Section 5.3 The local portion of the Associate Affiliate dues shall be determined by the Board of Directors. Membership in the National Association of Home Builders and the Home Builders Association of Illinois shall be as determined by such organization annually.

Section 5.4 Annual local dues shall be waived for Honorary Members in the first year of such membership. Thereafter the annual dues for the honorary member classification shall be as determined by the Board of Directors. All dues billed for Honorary Members which are billed by the National Association of Home Builders or the Home Builders Association of Illinois shall be payable by Honorary Members.

Section 5.5 The annual dues for any classification may be adjusted or increased by the Board of Directors of the Association, in accordance with any change in dues to either the NAHB or HBAI. An increase in dues to this Association for the local portion of the dues billing shall be subject to membership ratification.

ARTICLE 6. Board of Directors

Section 6.1 The Board of Directors shall number seventeen (17) and be the governing body of this association. Of this number five (5) are the elected officers: President, Vice President, Second Vice President, Secretary and Treasurer. Of the remaining twelve (12) directors, twelve (12) shall be elected from the membership with at least six (6) being Builder members. The term of each director shall be two (2) years. No director shall serve more than three (3) consecutive terms unless he/she accedes to an Officer's position, or the term is extended by the vote of the Board of Directors. The president may but shall not be required to appoint a successor to a vacant Board position.

Section 6.2 After the Annual Meeting of the Association membership, the nominating committee shall submit a list of candidates, from the newly elected board of directors, to serve as NAHB Directors and Alternatives and HBAI Directors and Alternates. Upon election by the Board of Directors, these directors will represent this association on the Board of Directors of the National Association of Home Builders and the Home Builders Association of Illinois.

Section 6.3 Our representation on the Board of Directors of the National Association of Home Builders and the Home Builders Association of Illinois shall be in accordance with the rules of those Associations.

Section 6.4 Vacancies on the Board of Directors occasioned by death, resignation or whatever the circumstance may be, shall be filled by appointment of the President; the person so appointed shall serve the unexpired term to which he was appointed.

Section 6.5 The immediate Past President of this Association shall by virtue of his/her presidency, retain the right to vote at meetings of the Board of Directors for one (1) year after the expiration of their tenure as president.

Section 6.6 The term of each director shall commence on the first day of January succeeding the Annual meeting. The term of each director shall terminate on the thirty-first (31) day of December of the year designated by the Bylaws.

Section 6.7 Meeting of the Board of Directors shall be held as follows:

- a) Regular meetings of the Board of Directors shall be held at such place and time as scheduled by the Board of Directors with notice as required by the Illinois Not for Profit Corporation Act.
- b) Special meetings of the Board of Directors may be called by the President or upon formal request in writing of five (5) of its members.
- c) Notice of the date, hour and place of all meetings, whether annual, regular, or special, must be given to each director at least five (5) days in advance of the day of the meeting, by regular mail or, E-Mail or facsimile transmission.

Section 6.8 Any member of the Board of Directors who shall be absent, unless excused by the President for good cause shown, for three (3) consecutive meetings or accumulate total unexcused absences of four (4) meetings in a calendar year of said Board shall automatically be removed from his/her office. Said office may be filled in accordance with the provisions to fill vacancies.

ARTICLE 7 Executive Officer

Section 7.1 The position of Executive Officer shall be by appointment of a two-third (2/3) majority of the entire Board of Directors. All duties of the Executive of Officer shall be determined by the Board of Directors.

ARTICLE 8 Elected Officers

Section 8.1 The following officers shall be elected at the Annual Membership Meeting in October each year: President, First Vice President, Second Vice President, Third Vice President, Secretary and Treasurer. The terms of each Officer shall be for one (1) year and commence on the first day of January.

- a) The President, First Vice President, Second Vice President and Third Vice President must be elected from the Membership. An Associate Member may be elected to serve in order of succession to the next higher office, however, the majority of the Corporate Officers and Board of Directors must be builder members.
- b) The Secretary and Treasurer may be elected from either the Builder or Associate membership.
- c) No Officer shall serve in the same office for more than three (3) consecutive terms, except for the Treasurer, Secretary and General Counsel, whose terms may be extended beyond three (3) consecutive terms by a vote of the Board of Directors.

Section 8.2 The duties of the respective Officers shall be as follows:

- a) The President shall be the Chief Officer of the Association and shall preside at its meetings those of the Board of Directors and the Executive Committee. He/she shall be the official spokesperson of the Association in matters of public policy and shall appoint the chairs of all committees. He/she shall be an ex officio member of all committees and shall perform all other duties usual to the office of President.
- b) The First Vice President shall, in the absence of the President, or upon direction, perform all of the duties of the President. He/she shall also serve on the Executive Committee and may be the chair or co-chair of the Preview of Homes Show activities or a committee as directed by the President and the Executive Board.
- c) The Second Vice President shall, in the absence of the First Vice President, or upon direction, perform all of the duties of the First Vice President. He/she shall also serve on the Executive Committee and may chair or co-chair the Membership Committee or a committee as directed by the President and the Executive Board.
- d) The Third Vice President shall, in the absence of the First Vice President and Second Vice President, or upon direction, perform all of the duties of the First Vice President or Second Vice President. He/she shall also serve on the Executive Committee and may chair or co-chair the Ambassadors Club/Membership Retention Committee or a committee as directed by the President and Executive Board.
- e) The Treasurer shall be responsible to the Association for an accounting of all monies collected and disbursed by the Association and shall render a monthly report to the Board of Directors and an annual report to the membership. He/she shall also serve on the Executive Committee.
- f) The Secretary shall keep a record of all of the official proceedings of this Association and its Board of Directors, including the reports of special committees. He/she shall also serve on the Executive Committee and may chair or co-chair the Newsletter/Public Relations Committee or a committee as directed by the President and the Executive Board
- g) Area Vice President is the liaison between this Association and the Home Builders Association of Illinois and shall represent this Association under the direction of the Board of Directors and shall be an elected office.

Section 8.3 In the event of the death, resignation or removal from office of any Officer during his tenure, the Board of Directors shall nominate and elect from among its members a successor who shall serve until the expiration of the term for which his predecessor was elected.

Section 8.4 The General Counsel shall be an attorney-at-law, licensed to practice within the State of Illinois. He shall advise the Officers, Directors and committees of this Association in legal matters. He need not be a full-time employee of the Association. If he is not an employee, his mode of compensation may be determined from time to time by the Board of Directors upon the recommendation of the Executive Committee.

ARTICLE 9 Voting and Quorums

Section 9.1 The voting privilege shall be as follows:

- a) Membership meetings, whether regular, annual or special, any member in good standing may vote. Any member may call for a secret ballot either prior or after a vote is called for. Voting by members shall be conducted in person or by proxy.
- b) At meetings of the Board of Directors, only currently elected members of the Board and the Area Vice President shall have the right to vote. The General Counsel, Secretary and Treasurer shall not vote.

Section 9.2 Unless otherwise specified in these bylaws, a majority of those voting shall be sufficient to carry all matters coming before any membership meeting, any Board of Directors meeting, or any committee meeting.

Section 9.3 A quorum shall be determined as follows:

- a) Membership meetings, at least fifteen (15) percent of total membership must be present in person or by proxy.
- b) Annual membership meeting, at which the election is held, fifteen (15) percent of total current membership must be present in person or by proxy.
- c) Board of Directors regular meeting: Seven (7) Directors and two (2) Officers. At least four (4) of the Directors must be Builders and at least one (1) of the Officers must be a Builder. Regardless of the number present, the majority must be Builder members. Directors may attend meetings telephonically or electronically.

ARTICLE 10 Elections

Section 10.1 The Nominating Committee shall:

- a) Solicit and consider the recommendations of the membership, both Builder and Associate, as to candidates for each office and directorship to be filled.
- b) Report to the Board of Directors at its September meeting, the slate of Directors and Officers recommended by it. Within ten (10) days after the September meeting of the Board of Directors, a written notice shall be mailed, e-mailed or transmitted by facsimile, to each member of the Association, reporting the recommended slate of Officers and Directors to be elected at the Annual Membership Meeting in October.

Section 10.2 Acceptance of the recommended slate relative to Officers and Directors by a majority of the members present and voting at the Annual Membership Meeting shall constitute election of the Officers and Directors so nominated.

Section 10.3 Additional nominations from the floor of candidates for directorships or officers may be made at the Annual Membership Meeting.

Section 10.4 If additional nominations are made from the floor, the vote on the candidates shall be by secret ballot; and the candidates receiving a majority of the votes cast shall be considered elected.

Section 10.5 In the event that more than two (2) candidates are named for any one office, a majority of the members voting shall be necessary to elect. In the event such majority is not obtained, then a second vote shall be taken upon the two (2) candidates receiving the greatest number of votes.

ARTICLE 11. Committees

Section 11.1. There shall be the following standing committees of the Association:

- a) Executive Committee
- b) Nominating Committee
- c) Membership Committee
- d) Tour of Homes Committee
- e) Raffle Committee
- f) Golf Committee
- g) Program Committee
- h) Newsletter Committee
- i) Government Affairs Committee
- j) Public Relations Committee
- k) Ethics Committee

and such other ad hoc committees as determined by the Board of Directors and/or the President. These committees will be reviewed yearly for activation or deactivation.

Section 11.2 Committee Descriptions and Functions

- a) The Executive Committee, which shall consist of: President, First Vice President, Second Vice President, Secretary and Treasurer. It shall be a committee limited in power to making recommendations to the Board of Directors. The Committee shall meet upon the call of the President, or the Board of Directors or any of four (4) of its members. The time and place of meetings are to be communicated to the members.
- b) The Nominating Committee shall consist of eight (8) members, 3 of whom will be the 1st VP, 2nd VP and 3rd VP. The President shall appoint two (2) of the members and the Board of Directors shall elect three (3) members. The nomination and election of the three (3) members shall take place before the September meeting of the Board of Directors. After the results of such election are announced, the President shall announce his two (2) appointees. At least three (3) of the five (5) members must be Builder members of the Association. There is no requirement that a certain number of members who are not members of the Board of Directors must be appointed or elected to this committee. There is no prohibition against the election or appointment of former officers nor is there a requirement that any such individuals must be appointed or elected. The committee shall have its organizing meeting prior to August 31, and at such meeting a chairman shall be elected by the members. The vote of three (3) members of the committee shall be necessary to recommend any nomination for any office. This committee is required to submit to the Board of Directors a slate of Officers and Directors, NAHB Directors and Alternates and HBAI Directors and Alternates.
- c) The Membership Committee is charged with the responsibility of meeting the membership goals of the Association by striving to retain existing members and soliciting new members. This committee may be chaired by the Second Vice President or as directed by the President and the Executive Board.
- d) The Tour of Homes Committee is charged with the responsibility of conducting an annual Tour of Homes if deemed feasible. The committee shall adhere to the adopted guidelines as approved by the Board of Directors on May 5, 1997 and shall meet the budget requirements. This committee may be chaired or co-

chair by the First Vice President or as directed by the President and the Executive Board.

- e) The Raffle Committee is charged with raising funds needed by the Association through social activities and may subdivide their responsibilities into specific fund-raising subcommittees. This committee may be chaired by a member appointed by the President and the Executive Board
- f) The Golf Committee shall organize and run one or more golf outings sponsored by the Association.
- g) The Program Committee is responsible for presenting an annual program to cover the monthly meeting calendar. This committee may be chaired by a member appointed by the President and the Executive Board.
- h) The Newsletter Committee is responsible for gathering and distributing information to the membership and the general public regarding our industry and association. The Secretary may be the Chairman or Co-Chairman or as directed by the President and the Executive Board and the Executive Officer shall be the Assistant Chairman.
- i) The Government Affairs Committee is responsible for keeping the Association members aware and educated regarding any pending or existing legislation which affects our industry as well as local ordinances which impact upon our immediate business area. This committee may be chaired by a member appointed by the President and the Executive Board.
- j) Public Relations Committee shall deal with all matters relating to the publicity and building a presence in the communities served by the Association.
- k) Ethics Committee shall deal with all preliminary matters relating to matters of member discipline and such other matters as delegated by the President.

11.3 The Legal Protection Fund Committee

- a. The Legal Protection Fund of the Association shall be administered by a committee to be designated as the Legal Protection Fund Committee
- b. The Legal Protection Committee shall be charged with the collection and disbursement of funds in matters, controversies, lawsuits and other matters relating to the protection of builders and building industry as the Committee shall determine, subject to the approval of the Board of Directors.
- c. The Legal Protection Fund Committee shall be governed by the SSHBA Legal Fund Statement of Fund Policy as adopted and amended from time to time.
- d. The committee shall consist of at least five (5) members in good standing of the Association and shall consist of four builder members and one associate member. At least one member of the Committee shall be a member of the Board of Directors.
- e. The General Counsel shall serve as non-voting legal advisor to the committee and the President of the Association shall serve as an ex-officio member.
- f. The committee shall act as advisory to the Association's Board of Directors.

ARTICLE 12. BUDGET

Section 12.1 The fiscal year of the Association shall be the calendar year.

Section 12.2 A proposed budget for the forthcoming fiscal year shall be submitted by the Finance Committee to the Board of Directors of the Association each year not later than at the January Board of Directors meeting.

Section 12.3 The Board of Directors shall adopt a budget for each calendar year and this Association shall function within the totals of such a budget. Any expenditure in excess of such budget must be authorized by the Board of Directors.

Section 12.4 Dues and other monies collected by the Association shall be placed in the Association depository as approved by the Board of Directors and payments from the funds of this Association shall be made on the signatures of the Treasurer or the Executive Officer or one (1) other officer, two signatures required.

Section 12.5 Unless the Treasurer is a CPA, there shall be an annual review of the finances of this Association by an independent accountant and this, together with a report from the Treasurer, shall be submitted to the Board of Directors as soon as practical after the close of the fiscal year no later than March 31 of the following year.

ARTICLE 13. Notices

Section 13.1 Members shall furnish the Executive Officer with their official address and the mailing of any notice to such address, shall be considered sufficient service. Notices may be sent by regular mail, or if a member provides a facsimile number or E-Mail address by either such alternative means.

ARTICLE 14. Rules of Procedure

Section 14.1 Robert's Rules of Order Revised shall govern the procedure of all meetings of the Association and all meetings of the Board of Directors, except as such Rules of Order are modified herein.

ARTICLE 15. Conflicts of Interest

Section 15.1 The Association strives to maintain the highest ethical standards in all of its policies, procedures and programs and to avoid conflicts of interest. All persons shall act in good faith in all relationships touching upon their responsibilities to the Association and shall avoid any conflict of interest. No person shall personally benefit from his or her relationship with the Association other than by compensation for services approved by the Board of Directors or through established policy. No person shall accept any favor, gratuity or gift which may influence actions concerning the Association.

At each Annual Meeting of the Board of Directors this policy shall be reviewed and each Board member, Officer and employee shall receive the Association's Conflict of Interest policy, which shall include procedures regarding the reporting of a conflict of interest. Each such person shall sign a copy of the policy acknowledging that he or she has read the policy and will abide by the policy.

ARTICLE 16. Amendments

Section 16.1 Any amendment of these Bylaws must be recommended to the membership by a majority vote of the members of the Board of Directors voting at any meeting, providing however, that copy of the proposed amendment shall have been mailed, electronically mailed or sent by facsimile to each member of the Board of Directors not less than five (5) days prior to the meeting at which action is to be taken thereon.

Section 16.2 These Bylaws may be amended by a vote of two-thirds (2/3) of the members voting, provided there is a quorum at any regular or special meeting either in person or by proxy, provided, however, that the Board of Directors has previously recommended the amendment in accordance with the procedure set out in Section 15.1; and provided further that a copy of the proposed amendment shall have been mailed to each member of the Association not less than five (5) days prior to the meeting at which the vote on the amendment is to be taken.

Section 16.3 Any amendment of these Bylaws shall take effect immediately upon the adoption of such an amendment pursuant to Section 16.2.

ARTICLE 17. Arbitration

Section 17.1. The Association hereby authorizes the establishment of a procedure to provide for arbitration of disputes between its Members and their clients or customers.

Section 17.2 The Association shall establish rules of arbitration, which the Board of Directors shall be empowered to amend from time to time. The Association shall maintain the Rules of Arbitration at its offices.

Section 17.3 If a Member elects to contract with third parties to have the disputes between the Member and the third party resolved pursuant to the Rules of Arbitration, the Members shall be required to:

1. be a Member in good standing of the Association at the time the contract was entered into; and
2. the Member shall be required to be a Member in good standing of the Association at the time a petition for arbitration, or similar document is submitted to the Association; or if the petition is not commenced by the Member, but by a third party, the Member shall be granted forty-five (45) days to become a Member in good standing of the Association after actual service of the petition for arbitration is made on the Member, if the Member's membership had lapsed.

Section 17.4 The Association shall not be required to conduct an arbitration if the Member does not comply with the requirements under Sec. 17.3 and/or the applicable Arbitration Fee, as established in the Rules of Arbitration that is in force at the time the petition to arbitrate is filed, is not paid in full prior to the commencement of the arbitration.

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