



NSBAR

**NORTH SHORE-BARRINGTON
ASSOCIATION OF REALTORS®**

Bylaws

**450 Skokie Boulevard, Building 1200
Northbrook, IL 60062**

As amended August 7, 2025

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ARTICLE I.

Name

Section 1.1.

The name of this organization shall be the North Shore-Barrington Association of REALTORS® Incorporated, hereinafter referred to as "NSBAR," a not-for-profit corporation of the State of Illinois."

Section 1.2. REALTORS®

Inclusion and retention of the Registered Collective Membership Mark "REALTORS®" in the name of NSBAR shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II.

Objectives

The objectives of NSBAR are:

Section 2.1.

To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

Section 2.2.

To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 2.3.

To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 2.4.

To further the interests of home and other real property ownership.

Section 2.5.

To unite those engaged in the real estate profession in this community with ILLINOIS REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation and obtaining the benefits and privileges of membership therein.

Section 2.6.

To designate, for the benefit of the public, individuals authorized to use the term "REALTOR®" and REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III. Jurisdiction

Section 3.1.

The territorial jurisdiction of NSBAR as a Member of the NATIONAL ASSOCIATION OF REALTORS® IS: shall start at the southern boundary of Evanston at Lake Michigan, west along the north line of the city limits of Chicago (Howard Street) to McCormick Boulevard, south on McCormick to Devon, west on Devon to Lehigh Road, northwest on Lehigh Road to Oakton Street, west on Oakton Street to Harlem Avenue, north on Harlem Avenue to Dempster Street, west on Dempster Street to Milwaukee Avenue, northwest on Milwaukee Avenue to Central Road, West on Central Road to the Des Plaines River, North along the Des Plaines River to the Lake County/Cook County line, east along county line to the western limits of Deerfield, north along the west city limits of Deerfield, Highland Park and Lake Forest, to the north city limits of Lake Forest, east to Lake Michigan, plus that part of Lake and Cook Counties, Illinois described as follows: all of Cuba and Barrington Townships and that part of Elmhurst, Palatine and Schaumburg Townships lying West of the easterly boundary line of Barrington Consolidated High School District #220 as it existed on the charter date of May 15, 1969 as allocated by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3.2.

Territorial jurisdiction is defined to mean:

- a. **The right and duty to control** the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which NSBAR agrees to protect and safeguard the property right of the National Association in the terms.

ARTICLE IV. Membership

Section 4.1.

There shall be six (6) classes of members as follows: REALTOR®, Affiliate, Institute Affiliate, Life, Franchiser, and Civic.

- 1. REALTOR® Members, whether primary or secondary shall be:**

Individuals who, as sole proprietors, partners, corporate officers, or branch office

managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Illinois or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Board of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of NSBAR in which one (1) of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

Note: REALTOR® Members may obtain membership in a "secondary" Board in another state.

- a. **Individuals** who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.
- b. **Primary and Secondary REALTOR® Members.** An individual is a primary member if NSBAR pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another Board. One (1) of the principals in a real estate firm must be a Designated REALTOR® Member of NSBAR in order for licensees affiliated with the firm to select NSBAR as their "primary" Board.
- c. **Designated REALTOR® Members.** Each firm (or office in the case of firms with multiple office locations) shall designate in writing one (1) REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of NSBAR dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws. Designated REALTOR® is the only membership classification allowed to vote for election of directors, officers, or dissolution of the corporation. Electronic

transmission is acceptable. Each Designated REALTOR® will have one (1) vote for each REALTOR® Member in good standing within the firm. The Designated REALTOR® will cast all of the votes on behalf of licensees affiliated with their firm (either in total or proportionate) but may not vote contrary to the votes cast by individual licensees who are members in their own right.

2. Franchise REALTOR® Membership:

Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges, and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local board, state association, and National Association.

3. Institute Affiliate Members:

Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

4. Affiliate Members:

Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of NSBAR. Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in NSBAR, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property. If the specialty is in a business that Illinois requires a license, then a proof of license must be provided before membership is granted. To maintain membership, that license must be kept active.

5. Life Members:

Life Member status can be conferred on any person with outstanding service to NSBAR at the discretion of the Board of Directors. Life Members are exempt from

the payment of NSBAR dues. The achieving of NAR REALTOR® Emeritus status automatically grants NSBAR Life Member status.

6. Civic Members:

Civic Members shall consist of any persons holding the position of mayor, village president, city manager or any municipal official deemed eligible by the Board of Directors within the jurisdiction of NSBAR. Civic Members shall not be entitled to vote on amendments to the Bylaws, or on any questions coming before NSBAR, nor shall they be required to pay dues. This Membership shall be granted only for the period of said Civic Member's tenure of office and said Membership may be revoked at any time by the Board of Directors.

Section 4.2. Transfer of Membership Classification

Transfer of Classification of Membership in NSBAR, except for REALTOR® Members, may be made upon written request to the Membership and Member Services Committee, subject to its recommendation, fees and the approval of the Board of Directors.

Section 4.3. Leave of Absence and Termination of Membership

- a. **Leave of absence** for any Member may be granted by the Board of Directors to Members in any classification only for service in the armed forces in the United States. Payment of dues by Members during a leave of absence shall not be required.
- b. **Designated REALTOR® Members**, accordance with Article X, Section 2, shall be responsible to report to NSBAR within three (3) days of any transfer, termination or change of membership classification of any NSBAR Member employed by or associated with said Designated REALTOR® Member, his firm, partnership, trust or corporation

Section 4.4. Transfer and Reinstatement of Membership

- a. **Members and approved applicants** may transfer from one (1) office to another provided notification is promptly reported to the NSBAR office. Said notification shall be in writing by the former office, the new office, or the agent who is transferring. A transfer fee shall accompany said notification. The fee applies to all transfers, whether to a new company or to a different office in the same company. All fees, dues, and assessments continue until notice has been received via fax, mail or email.
- b. **Any former Member**, or former applicant previously approved may be reinstated in the same classification of membership provided said former Member, or applicant, was in good standing at the time of the termination of membership. Reinstatement applications must also be accompanied by a reinstatement fee and payment of all back dues, fees and assessments.

- c. **If a Member resigns** from NSBAR with an ethics complaint or arbitration request pending, the Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he will submit to the pending ethics or arbitration proceeding and will abide by the decision of the hearing panel; or if the Member resigns without having complied with an award in arbitration, the Board of Directors may condition any reapplication of the former Member upon the former Member promise to pay the award, plus any costs that have previously been established as due and payable by the former Member, provided that the award has not, in the meanwhile, been otherwise satisfied.

Section 4.5. Education Program

- a. **An application for membership** shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. NSBAR shall furnish and/or conduct an Education Program for new applicants for REALTOR® Membership. Applicants must complete an objective and non-discriminatory indoctrination course.
- b. **If applicant for REALTOR® Membership** is or has been a REALTOR® Member in good standing of a member board of the NATIONAL ASSOCIATION OF REALTORS®, applicant will not be required to meet the educational requirements of NSBAR.

ARTICLE V. Qualification and Election

Section 5.1.

Application form shall contain among the statements to be signed by the applicant:

1. **That applicant agrees** as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of NSBAR, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of NSBAR, State and National Associations, and if a REALTOR® Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended.
2. **That applicant consents** that NSBAR, through its Membership and Member Services Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to NSBAR 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, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

3. **Failure to satisfy this requirement** within ninety (90) days of the date of application (or, alternatively, the date that provisional membership was granted), without making a reservation for an orientation program at a date and time deemed acceptable, will result in denial of the membership application or termination of provisional membership.

Section 5.2. Qualifications

- a. **An applicant for REALTOR® Membership** who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to NSBAR through its Membership and Member Services Committee or otherwise that he is actively engaged in the real estate profession, and maintains a current, valid managing broker's or broker's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member) , has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of NSBAR, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

*** No recent or pending bankruptcy** is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless NSBAR establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for NSBAR and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

**** No record of official sanctions involving unprofessional conduct** is intended to mean that NSBAR may only consider judgements against the applicant

within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

Note 1: One (1) or more of the requirements for REALTOR® Membership set forth above in Article V; Section 2(a) may be deleted at the NSBAR 's discretion. However, NSBAR may NOT adopt membership qualifications more rigorous than specified in the Membership Qualification Criteria for REALTOR® Membership approved by the Board of Directors of the National Association.

Note 2: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics.

- b. **Individuals who are actively engaged** in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of NSBAR or a Designated REALTOR® Member of another Board (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct, shall complete a course of instruction covering the Bylaws and Rules and Regulations of NSBAR, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Membership and Member Services Committee and shall agree in writing that if elected to membership he/she will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.
- c. **NSBAR will** also consider the following in determining an applicant's qualifications for REALTOR® membership:
 - 1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years.
 - 2. Pending ethics complaints (or hearings).
 - 3. Unsatisfied discipline pending.
 - 4. Pending arbitration requests (or hearings).
 - 5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.
 - 6. Any misuse of the term REALTOR® or REALTORS®.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 5.3. Election

The procedure for election to membership shall be as follows:

- a. **Applicants for REALTOR® membership** shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within one hundred eighty (180) days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.
- b. **Dues shall be computed** from the date of application and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.
- c. **The Board of Directors may not terminate** any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements as he deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically

or mechanically record the proceedings.

- d. **If the Board of Directors determines** that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by NSBAR for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

Section 5.4. New Member Code of Ethics Orientation

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another Association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within ninety (90) days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

Section 5.5. Continuing Member Code of Ethics Training

During successive three (3) year periods, each REALTOR® member of the Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete triennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another Association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three (3) year cycle shall not be required to complete additional ethics training until a new three (3) year cycle commences.

Failure to meet the requirement will result in suspension of membership for the first two (2) months (January and February) of the year following the end of any three (3) year cycle or until the requirement is met, whichever occurs sooner. On March 1st of that

year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 5.55. Continuing Fair Housing Training

Effective January 1, 2025, through December 31, 2027 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete Fair Housing training of not less than two (2) hours of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTOR®, the NATIONAL ASSOCIATION OF REALTOR®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTOR® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTOR® from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three year cycle commences.

Failure to satisfy the required periodic Fair Housing training shall be considered a violation of a membership duty. Failure to meet the requirement in any three year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

New Member Fair Housing Orientation

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete Fair Housing training of not less than two (2) hours of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTOR®, the NATIONAL ASSOCIATION OF REALTOR®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTOR® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTOR® from time to time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less. Failure to satisfy this requirement within ninety (90) days of the

date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Section 5.6. Status Changes

- a. **A REALTOR®** who changes the conditions under which he holds membership shall be required to provide written notification to NSBAR within three (3) days. A REALTOR® (non- principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one (1) status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within thirty (30) days of the date they advised NSBAR of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring their license from one (1) firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within thirty (30) days of the date the board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors. (The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with NSBAR's Bylaws.)

- b. **Any application fee** related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.
- c. **Dues shall be prorated** from the first day of the month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

Section 5.7. Withdrawal, Rejection, Reapplication

- a. **An applicant who fails** to receive the approval of the Board of Directors for election to membership shall not again be considered for membership until the expiration of three (3) months from the date of such failure, and then only upon a new application being made for membership. All of the dues collected at the time of the application will be returned along with half of the initial fee.
- b. **An applicant may withdraw** the application before final action is taken by the Committee or the Board of Directors. In all cases where the petition of an applicant has been withdrawn, rejected, or fails to be elected, all deposits by the applicant

shall be promptly returned less a service charge in amount of half the initial fee.

- c. **An applicant for membership** who fails to be elected shall be refunded one-half of the initial fee and all of the prorated dues.
- d. **Each application shall** be accompanied by the Initial Application Fee and prorated dues. A REALTOR® applicant must be associated with, and licensed under or through a REALTOR®, or if an Appraiser, must be certified by the State of Illinois or a state contiguous thereto and said fact must be acknowledged in writing by a REALTOR® Member who is a principal in the corporation, a partner in the partnership, or the proprietor under whom the applicant is or will be licensed or certified.

Section 5.8. Loss of Certification of Registration

The Board of Directors shall drop from membership any REALTOR® Member whose Certificate of Registration as a real estate broker, or salesman, has been denied, recalled or revoked by the Department of Professional Regulations of the State of Illinois. The Board of Directors shall also have the power to reinstate any former Member dropped from membership because of loss of Certificate of Registration, in case such Certificate of Registration has been restored by the State or a new Certificate granted.

ARTICLE VI. Privileges and Obligations

Section 6.1.

The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article.

- a. **When application for REALTOR® Membership has been approved** by the Membership and Member Services Committee and Board of Directors, the applicant shall have three (3) months from date of application to complete the educational and other requirements for membership. Upon completion of said requirements, membership shall be granted. Failure to complete the said requirements within the three-month period shall automatically deny the application unless the time for completion is extended by the Board of Directors.
- b. **REALTOR® Members** as sole proprietors, partners, trust, or corporate officers must maintain an office within the State of Illinois or a state contiguous thereto.
- c. **REALTOR® Members** votes will be cast by the Designated REALTOR® for the firm. Electronic transmission is acceptable

Section 6.2.

Any Member of NSBAR may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws, and NSBAR Rules

and Regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual as adopted by NSBAR. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by NSBAR, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Membership and Member Services Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Board, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 6.3.

Any REALTOR® of NSBAR may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual as adapted by NSBAR, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 6.4.

Resignations of Members shall become effective when received in writing, provided, however, that if any Member submitting the resignation is indebted to NSBAR for dues, fees, fines, or other assessments of NSBAR or any of its services, departments, divisions, or subsidiaries, NSBAR will condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 6.5.

If a Member resigns from NSBAR or otherwise causes membership to terminate with an ethics complaint or pending, the Board of Directors will condition the right of the resigning Member to reapply for membership upon the applicant's certification that he will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

- a. **If a member resigns** or otherwise causes membership to terminate with an arbitration request pending, the obligation to arbitrate shall remain in effect and NSBAR will process the arbitration request in accordance with its established procedures provided the dispute arose while the parties were REALTORS®.

Section 6.6. REALTOR® Members

REALTOR® members, whether primary or secondary, in good standing are entitled

to vote and to hold elective office in the association; and may use the term REALTOR®, which use shall be subject to the provisions of Article VII. For purposes of this section, the term “good standing” means the member satisfies the “Obligations of REALTOR® Members”, is current with all financial and disciplinary obligations to the association and MLS, has completed any new member requirements, and complies with NAR’s trademark rules.

- a. **If a REALTOR® Member** is a sole proprietor in a firm, a partner in a partnership, or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership, or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to NSBAR by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in NSBAR. The foregoing is not intended to preclude a suspended or expelled member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in NSBAR, whichever may apply. If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.*

- b. **In any action taken against a REALTOR® Member** for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.

Section 6.7. Institute Affiliate Members

Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Note: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR® or the REALTOR® logo; to serve as President of the local association; or to be a Participant in the local association's Multiple Listing Service.

Section 6.8. Affiliate Members

Affiliate members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 6.9. Life Members

Life Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 6.10. Franchiser Members

Franchiser Membership shall confer only the right to attend meetings and participate in discussions.

Section 6.11. Civic Members

Civic Members shall have the rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 6.12. Certification by REALTOR®

"Designated" REALTOR®. If ILLINOIS REALTORS® or the State Licensing Authority does not provide NSBAR with a list of licensees affiliated with each licensed real estate broker or brokerage firm, then the "Designated" REALTOR® of each office shall provide to NSBAR by the end of June each year a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary Board for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another Board based on said non-member licensees, the Designated

REALTOR® shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify NSBAR of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual. If ILLINOIS REALTORS® provides a list of all licensees within a firm, as noted by the State of Illinois, the list will be used in lieu of the certification.

ARTICLE VII.

Professional Standards and Arbitration

Section 7.1.

The responsibility of the NSBAR and of NSBAR members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, 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, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deemed to be deleted or amended to comply with state law.

Section 7.2.

It shall be the duty and responsibility of every REALTOR® member of this association to safeguard and promote the standards, interests, and welfare of the association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members also must abide by the governing documents and the policies of the association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®, as well as the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual.

Every REALTOR® member shall maintain a high level of integrity and adhere to the association's membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership.

Section 7.3.

The responsibility of the NSBAR and Board members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by NSBAR, which by this reference is made a part of these Bylaws.

ARTICLE VIII.

Use of the Terms REALTOR® and REALTORS®

Section 8.1.

Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. NSBAR shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for under the Code of Ethics and Arbitration Manual.

Section 8.2.

REALTOR® Members of NSBAR shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the State or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.

Section 8.3.

A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and/or REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the State or a state contiguous thereto are REALTOR® Members or Institute Affiliate Members as described in Section 1(b) of Article IV.

- a. **In the case of a REALTOR® member** who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 8.4.

Institute Affiliate Members shall not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX.

State and National Memberships

Section 9.1.

NSBAR shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and ILLINOIS REALTORS®. By reason of NSBAR's Membership, each REALTOR® Member shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and ILLINOIS REALTORS® without further payment of Dues. NSBAR shall continue as a member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members a decision is made to withdraw, in which case the State and National Associations shall be notified at least one (1) month in advance of the date designated for the termination of such membership.

Section 9.2.

NSBAR recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. NSBAR shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 9.3.

NSBAR adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. NSBAR and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and ILLINOIS REALTORS®.

ARTICLE X.

Dues and Assessments

Section 10.1. Application Fee

The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three (3) times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of NSBAR upon final approval of the application.

Section 10.2. Dues

The annual dues of Members shall be as follows:

- a. **REALTOR® Members.** The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an

additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Board in the state or a state contiguous thereto or Institute Affiliate Members of NSBAR. In calculating the dues payable to NSBAR by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies NSBAR in writing of the identity of NSBAR to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of NSBAR.

1. **For the purpose of this Section**, a REALTOR® Member of a Member NSBAR shall be held to be any Member who has a place or places of business within the State or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section I, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and engaged in soliciting and/or referring clients or customers to the REALTOR® or his firm on a substantially exclusive basis or which is engaged in other aspects of the real estate business **(except as provided for in Section 2(a) (1) hereof)** provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall confirm when asked by the association the list of licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, managing, counseling or appraising real property. The individuals disclosed shall not be deemed to be licensed with the REALTOR® for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

Note: The individuals disclosed on the form must actually be licensed to an entity that is engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis in order not to be calculated in the annual dues. These individuals cannot be licensed to an entity that engages in the listing and sale of real estate

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

- b. **REALTOR® Members.** The annual dues of REALTOR® Members other than the Designated REALTOR® shall be as established annually by the Board of Directors.
- c. **Institute Affiliate Members.** The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Note: The Institutes, Societies, and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$105.00). The National Association shall credit \$35.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$35.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$35.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

- d. **Affiliate Members.** The annual dues of each Affiliate Member shall be as established annually by the Board of Directors.
- e. **Public Service Members.** The annual dues of each Public Service Member shall

be as established annually by the Board of Directors.

- f. **Life Members.** Dues payable, if any, shall be at the discretion of the Board of Directors.
- g. **Student Members.** Dues payable, if any, shall be at the discretion of the Board of Directors.

Section 10.3. Dues Payable

Dues for all members shall be payable annually in advance by the first day of January or as established by the Board of Directors. Dues for new members shall be computed from the date of application and granting of provisional membership.

- a. **In the event** a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of NSBAR dues, and the individual remains with the Designated REALTOR®'s firm, the dues obligation of the "Designated" REALTOR® (as set forth in Article X, Section 2(a)) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 10.4. Non-Payment of Financial Obligations

If dues, fees, fines, or other assessments including amounts owed to NSBAR or NSBAR's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. Any payments not received within thirty (30) days after due date shall be subject to a monthly late payment as the Directors may assess. However, no action shall be taken to suspend or expel a Member for non-payment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for non-payment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of NSBAR or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for Membership, after making payment in full of all accounts due as of the date of termination.

Section 10.5. Bankruptcy

In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

Section 10.6. Deposits and Expenditures

Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

Section 10.7. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members

All dues, fees, fines, assessments, or other financial obligations to NSBAR or its subsidiaries shall be noticed to the delinquent Board Member in writing setting forth the amount owed and due date.

Section 10.8.

The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association of REALTORS®), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

Note: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the Board is assessed for a REALTOR® Member, times the number of REALTOR® Emeriti (as recognized by the National Association of REALTORS®), Past Presidents of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® Members of the Board. The dues obligation of such individuals to the local Board should be reduced to reflect the reduction in the Board's dues obligation to the National Association. The Board may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Board's obligation to the State Association with respect to such individuals. Member Boards should determine whether the dues payable by the Board to the State Association are reduced with respect to such individuals. It should be noted that this does not affect a "Designated" REALTOR®'s dues obligation to the Board with respect to those licensees employed by or affiliated with the "Designated" REALTOR® who are not Members of the local Board.

ARTICLE XI.

Officers – Board of Directors – Management

Section 11.1. Classification of Officers

The elected Officers of the Board shall consist of a President, a President-Elect, and a Secretary/Treasurer. The Immediate Past President shall be deemed to be an unelected Officer of NSBAR.

Section 11.2. Term of Office

The term of office of the elected Officers shall begin on the date of their installation in office and shall continue for one (1) year, or until their successors are elected and installed in office. No Officer shall be eligible for election for two (2) consecutive terms except the Secretary/Treasurer.

Section 11.3. Board of Directors

The Government of NSBAR shall be vested in a Board of Directors. The NSBAR Board of Directors shall consist of the four (4) Officers of NSBAR, the Chief Executive Officer as ex-officio member, and six (6) other REALTOR® Members. Not more than four (4) members of the NSBAR of Directors shall have previously served as President of NSBAR. Directors shall be elected each year to serve a two-year term to fill vacancies created by retiring Directors whose terms are expiring. No director shall be elected for more than two (2) consecutive terms; however, a Director filling a vacancy of an unexpired term of one (1) year or less shall be eligible for election to up to two more consecutive terms after the completion of the partial first term. The Immediate Past President shall have a one-year term commencing the year following his or her service as President. In the event the Immediate Past President resigns or is unable to fulfill his or her duties as a Director, his or her seat shall remain unfilled through the end of his or her term. Upon the termination of the Immediate Past President's term, he or she shall be eligible for appointment by the Nominating Committee for any Director vacancy subject to the limitations set forth above.

Strategic Directors

The NSBAR Executive Committee shall recommend the addition of Strategic Directors to the Board by proposing candidates. Candidate proposals shall include the candidate's company name and the justification for adding a candidate as a Strategic Director. Notice of any recommendation shall be sent to all Board members at least two (2) days prior to the Board meeting at which the vote on the approval of the recommended Strategic Directors will occur. The Board shall approve the appointment of a Strategic Director by the affirmative vote of two-thirds (2/3rd) of the Directors present at a Board meeting at which a quorum is present. A Strategic Director will serve beginning at the Board meeting at which she or he is approved. Her or his term will end at the last meeting of the fiscal year. Strategic Directors' terms shall not automatically renew. Renewal of a Strategic Director shall follow the same process as their original approval, or alternatively can be done by motion by the Board at the first meeting of the new fiscal year.

No more than four (4) Strategic Directors may serve at any one time. Of the four, one Strategic Director position is assigned to a member of the Northern Illinois Commercial Association of Realtors® (NICAR) pursuant to the NSBAR – NICAR Strategic Alliance. One Strategic Director position is assigned geographically to the northwest suburban area to ensure representation of that segment of NSBAR membership.

No Strategic Director may serve more than two (2) consecutive terms, irrespective of the length of the terms. A Strategic Director may be removed by the affirmative vote of two-thirds (2/3rd) of the Directors at a Board meeting having a quorum present. Strategic Directors are bound to the same fiduciary duties, confidentiality, and conflict of interest policies as any Director and shall be required to execute any standard NSBAR agreement(s) to that affect. Strategic Directors shall not be counted for the purposes of determining quorum for Board meetings, may not submit motions, and may not vote on any matter before the Board. Strategic Directors may be present and participate in all open Board discussions. Strategic Directors may be excluded from Executive Sessions at the direction of the President. Notwithstanding the foregoing, should the affirmative majority of the Directors present at a Board meeting at which a quorum is present vote to include the Strategic Directors for that particular Executive Session, they may be present and participate in the specified Executive Session and its discussions. Strategic Directors have strictly an advisory role to the Board. Specifically, the Strategic Directors shall be prohibited from voting during: (1) any open meetings of the Board; and (2) any Executive Session they are invited to attend.

Section 11.4. Election of Officers and Board of Directors

- a. **Nominations.** Election of officers and directors shall take place by the Annual Meeting of NSBAR Membership. Not later than March 31st of each year, a Nominating Committee of at least five (5) but no more than eight (8) REALTOR®/Designated REALTOR® Members, at least two (2) of whom shall be Past Elected Presidents of NSBAR, and at least two (2) of whom shall be former Nominating Committee Members of NSBAR whom served within the past three (3) fiscal years, shall be appointed by the President with the approval of the Board of Directors. The President shall name one (1) member of the Nominating Committee as the Chairman. Members of the Nominating Committee shall not be eligible for election as members of the Board of Directors. The President shall appoint replacements to fill any vacancies occurring on the Nominating Committee. The Nominating Committee shall select one (1) candidate for each vacant position on the Board of Directors. The Nominating Committee shall select all qualified candidates that meet the criteria for election to the Board of Directors and with qualifications for NSBAR Leadership. The applicants for Secretary/Treasurer and President Elect will also be recommended by the Nominating Committee for election.

The Nominating Committee shall report in writing to the President at least forty-nine (49) days prior to the Annual Meeting of the NSBAR Membership the names of the nominees for presentation at the next Board of Directors meeting. At least forty-two (42) days prior to the Annual Meeting, the President will deliver the report of the Nominating Committee as notice to the Membership, by notice on the web page or other appropriate electronic means as approved by the Board of Directors.

- b. **Elections.** Elections will be conducted by electronic balloting by Designated REALTORS® who have a weighted vote by the number of licensees who are members of NSBAR. Elections will take place by the annual meeting.
 - 1. Only candidates properly nominated are eligible for election. The names of all eligible candidates will appear on the electronic ballot.
 - 2. All elections shall be by electronic ballot and shall be administered by the CEO and the company hired to conduct the electronic voting. Only Designated REALTOR® Members in good standing and not in arrears for any dues or charges shall be entitled to vote. Officers and Directors remain in office until their successors are elected, qualified and installed.
- c. **NAR Directors:** The Board of Directors shall select the additional director or directors representing the North Shore - Barrington Association of REALTORS® on the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS® in accordance with the current director entitlement formula of the NATIONAL ASSOCIATION OF REALTORS® and each for a term of one or two years, at the discretion of the Board of Directors.

Section 11.5. Indemnification of Directors and Officers

Each Director and Officer of NSBAR, or of any NSBAR subsidiary entity, whether or not then in office, shall be defended, held harmless, and indemnified by NSBAR against all claims and liabilities, and all expenses actually and reasonably incurred or imposed upon them in connection with or resulting from any action, suit, or proceeding, or any settlement or compromise thereof approved by the Board of Directors, to which they may be made a party by reason of any action or alleged action, either of omission or commission, performed by them while acting as such officer or director in good faith, except in relation to matters as to which recovery shall be had against them, by reason of their being finally adjudged in such action, suit or proceeding, derelict in the performance of their duties as such director or officer; and the foregoing right of indemnification shall not be exclusive of other rights to which they may be entitled as a matter of law. Each such director or officer shall be likewise indemnified against any judgment, decree or fine which may be imposed upon them in any such proceeding, suit, action or prosecution.

Section 11.6. Removal of Officers and Directors

In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from

further service.

Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of NSBAR shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.

The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting and shall be conducted by the President of NSBAR unless the President continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths (3/4th) vote of Members present and voting shall be required for removal from office.

ARTICLE XII.

Duties of Officers – Board of Directors

Section 12.1. Duties of President

The President shall preside at all meetings of the Board of Directors, and the Executive Committee, and shall perform all duties usually pertaining to that office, or as authorized or directed by the Board of Directors or the Executive Committee, and shall be a member ex-officio of all Committees except the Nominating, Professional Standards, Grievance, Membership, and Past Elected President's Advisory Committees and shall appoint members to act for Committee Members unable, unwilling or disqualified to serve in specific instances; serves as chief elected officer, representing the entire membership and the best interests of the Board of Directors. Serves as the chief voluntary executive and shall be responsible to the Board of Directors in contact with the administrative office to make certain that policies established by NSBAR, are put into effect and carried out as may deem appropriate to the Board of Directors.

Section 12.2. Duties of the President-Elect

The President-Elect shall perform the duties of the President in the event of the President absence or disability and shall have such other powers and duties as may be prescribed by the Board of Directors, the Executive Committee or the President. The President-Elect shall succeed to the office of President without the need to stand for election as President.

If the President-Elect resigns from the Board of Directors during his or her term, a new President-Elect may:

1. Be slated through the Nominating Committee based on the election process.
2. The President may ask the Secretary/Treasurer if he or she would stand for election for the present year President-Elect. The Secretary/Treasurer would then have duties of both positions for the remainder of the year.

3. Nominating Committee shall hold a special meeting to reevaluate the immediate past applicants to fill any vacant Board of Director seat.

Section 12.3. Duties of the Secretary/Treasurer

The Secretary/Treasurer shall make a record of the proceedings of NSBAR and of the Meetings of the Board of Directors, which record shall at all reasonable times be open for inspection by the Members of NSBAR. The Secretary/Treasurer shall make sure of the following: roll of members; notices of all meetings of the Board of Directors five (5) days in advance, with a brief mention of the business to be transacted, if known; be the keeper of the Seal of the Board; and perform all other such duties as may be prescribed by these Bylaws, by NSBAR Membership or Board of Directors from time to time. Secretary/Treasurer duties to include review of all financial reports and audits, recommended financial experience or educational requirements for the position to assist the Nominating Committee in the selection process for the Secretary/Treasurer position, Chair of the Finance Committee, Evaluation and review of all contracts for services NSBAR may enter into and that this position may be two (2) consecutive one (1) year terms, which is mentioned in Article XI Section 2 and in Policies and Procedures.

Section 12.4. Board of Directors

The Board of Directors shall be the governing body of NSBAR and shall have immediate charge and control of the affairs of NSBAR, including voting of any stock held by NSBAR in any separate corporation, and shall fill vacancies in office both for Officers and Directors for the remainder of the term by appointment, and shall authorize all expenditures of funds of NSBAR. At the first meeting of the Board of Directors, the Board of Directors shall pass the necessary resolutions to enable the Officers to conduct all necessary banking operations and access the deposit boxes of NSBAR in such banks or banking institutions as the Board of Directors may designate.

Section 12.5. CEO (Chief Executive Officer)

The Board of Directors shall employ and direct a CEO and maintain a Board Office for the benefit of all NSBAR Members. The CEO serves as the Chief paid Executive and operating officer of the organization and is the only staff member selected by the Board of Directors. The CEO serves as a non-voting member of the Board of Directors and a voting member of the Executive Committee, responsible to the Board of Directors for the effective conduct of the affairs of NSBAR. The CEO recommends and participates in formulation of the NSBAR mission, goals, objectives and related policies. Within that framework, the CEO plans, organizes, coordinates and directs the staff, programs, and activities of NSBAR.

ARTICLE XIII.

Meetings

Section 13.1. Regular and Special Meetings of the Membership

Meetings of NSBAR Membership shall be held at such time and place as the Board of Directors may designate or deem necessary.

Special Meetings of NSBAR Membership to consider special questions may be called at any time by the President or by any five percent (5%) of REALTOR®/Designated REALTOR® Members by delivering, at least five (5) days before the meeting, electronic notice of the place, day and time of the meeting, and the purpose or purposes for which the meeting is called, by newsletter, computer, personal delivery, electronic or other means as approved by the Board of Directors, to each REALTOR® Member. At such meeting, no subject shall be considered other than the subject for which the meeting is called except as otherwise provided in the Bylaws.

Section 13.2. Annual Meeting

The Annual Meeting of NSBAR Membership shall be held prior to October 1st of each year.

Section 13.3. Installation

Officers and Members of the Board of Directors shall be installed no later than October 15th of the year elected.

Section 13.4. Quorums

Five (5) Officers and Directors shall constitute a quorum of the Board of Directors.

Ten (10) REALTOR® Members shall constitute a quorum for the transaction of all business of NSBAR Membership meetings, other than voting on amendments to the Bylaws.

For the purpose of voting on amendments to the Bylaws, a quorum shall consist of fifteen (15) REALTOR® Members present or represented by proxy as described in Article XV, Section 3. If more than one (1) Member from any single proprietorship, partnership, corporation or trust is present or represented by proxy as described in Article XV, Section 3, only one (1) such Member shall be counted for the purpose of determining whether a quorum is present for the transaction of business but nothing herein contained shall restrict the right of any Member otherwise eligible to vote on any business at any such meeting.

Section 13.5. Electronic Transaction of Business

To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means.

Section 13.6. Action without Meeting

Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors. The consent shall be evidenced by one (1) or more written approvals, each of which sets forth the action taken and bears the signature of one (1) or more Directors. All the approvals evidencing the consent shall be delivered to the CEO to be filed in the corporate records. The action taken shall be effective when all the Directors have approved the consent unless the consent specifies a different effective date.

ARTICLE XIV. Committees

Section 14.1. Committees

There will be a Professional Standards, Grievance Committee, and Ethics Citation Committee. The President with approval of the Board of Directors each year will determine the name and number of additional committees.

The President shall appoint all Committee Chairmen. Committee Chairmen shall be approved by the Board of Directors.

Appointments to the Professional Standards Committee, Grievance Committee, and Ethics Citation Committee shall be consistent with the cooperative professional standards enforcement agreement of NSBAR.

Executive Committee. The NSBAR Executive Committee shall be chaired by the President and shall consist of each elected Officer of NSBAR, the Immediate Past President, and the Chief Executive Officer. The Executive Committee shall have such powers as delegated to it by the Board of Directors.

Section 14.2. Past Presidents Advisory Committee

The Past Presidents Advisory Committee is composed of those past elected presidents who are still active in the real estate profession and are Members of NSBAR.

Section 14.3. Organization

All committees shall be of such size and shall have duties, functions, and powers as assigned by the CEO or the Board of Directors except as otherwise provided in these Bylaws. Additional committees shall be formed at the discretion of the Board of Directors.

Section 14.4. President

The President shall be an ex-officio member of all standing committees and shall be notified of their meetings (see exceptions Section 1).

Section 14.5. Action without Meeting

Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one (1) or more written approvals, each of which sets forth the action taken and bears the signature of one (1) or more of the members of the committee.

Section 14.6. Attendance by Telephone

Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment, internet or other electronics by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

ARTICLE XV.

Method of Conducting NSBAR Meetings

Section 15.1. Roll Call

A roll call shall be allowed by the President or any presiding officer on any question coming before NSBAR Membership, upon the request of five (5) Members present who are entitled to vote on the question. Electronic transmission is acceptable.

Section 15.2. Rules of Order

Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of NSBAR, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

Section 15.3. Voting by Proxy

Members may vote by proxy, in which case Electronic transmission is acceptable, on all matters concerning NSBAR on which they are eligible to vote. Said proxies must be in writing and filed with the Secretary/Treasurer not later than three (3) business days (excluding day of balloting) prior to all balloting. Form of said proxy shall be:

a. Voting by proxy for the election of Officers and Directors:

I hereby delegate _____ with full power of substitution to vote as my proxy at the Annual Meeting of the members of the North Shore - Barrington Association of REALTORS® to be held at _____, Illinois, on the _____ day of _____, 20____, granting him/her full power and authority to act for me and cast my vote at an election or on any question which may come up to be voted on at such Membership and Member Services meeting. I further authorize the holder thereof to vote at any adjourned session of such meeting, or at any other meeting held

subsequent thereto, at which questions involving the action of such original meeting shall be voted upon.

I direct the above designated proxy holder to cast my vote (please indicate):

1. ____ In favor of the following named individuals for the office indicated:

(Use blank area at the bottom of page for additional names, if necessary.)

OR

2. ____ To be voted as deemed advisable by proxy holder.

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If any of the above-named individuals are no longer eligible for election, then I direct the above designated proxy holder to:

1. ____ Vote as deemed advisable by proxy holder.
2. ____ Not to vote this proxy.

GIVEN THIS ____ DAY OF _____, 20____.

Signature

Print Name

Witness

b. Voting by proxy pertaining to bylaw changes or other matters:

I hereby delegate _____ with full power of substitution to vote as my proxy at the meeting of the members of the North Shore - Barrington Association of REALTORS® to be held at _____, Illinois, on ____ day of _____, 20____, granting him/her full power and authority to act for me and cast my vote on any question which may come up to be voted on at such Membership meeting. I further authorize the holder hereof to vote at any adjourned session of such meeting, or at any other meeting held subsequent thereto, at which questions involving the action of such original meeting shall be voted upon.

I direct the above designated proxy holder to cast my vote (please indicate):

1. ____ In favor of proposed amendments.
2. ____ Not in favor of proposed amendments.

3. ____ To be voted as deemed advisable by proxy holder.

GIVEN THIS ____ DAY OF _____, 20____.

Signature

Print Name

Witness

c. **Only Designated REALTORS®, Officers, or Directors may cast proxy votes on behalf of members:**

Members voting by proxy may give their proxy only to their Designated REALTOR® or to an elected Officer or Director of the Board.

ARTICLE XVI.
Fiscal and Elective Year

Section 16.1.

The elective term for Officers of the Board of Directors shall be one year, from October 1 to September 30 of the fiscal year she or he is elected for. The elective term for Directors of the Board of Directors shall be two years, from October 1 of the fiscal year she or he is elected for, to September 30 of the fiscal year after her or his election.

Section 16.2.

The fiscal year of NSBAR shall commence on the first day of October of each year.

ARTICLE XVII.
Amendments to Bylaws

Section 17.1.

These Bylaws may be amended by the majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting.

When Bylaws amendments are mandated by NAR policy, these Bylaws may be automatically amended to reflect the mandate as of the effective date of the mandatory policy authorized by the NATIONAL ASSOCIATION OF REALTORS®. NSBAR shall provide notice of that change in a regular or special membership communication.

Section 17.2.

Notice of all meetings at which amendments are to be considered shall be electronically transmitted and posted on the association web site to every member eligible to vote at least one (1) week prior to the meeting.

Section 17.3.

Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of NSBAR shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVIII.

Dissolution

Upon the dissolution of NSBAR, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to ILLINOIS REALTORS® or, within its discretion, to any other non-profit tax-exempt organization.

ARTICLE XIX.

Multiple Listing

NSBAR shall provide its Members with access to a Multiple Listing Service, which shall be a lawful corporation of the State of Illinois of which NSBAR is a stockholder. NSBAR currently provides its Members with access to the Midwest Real Estate Data (MRED) multiple listing service. NSBAR Members who participate in MRED shall pay established participation fees and shall be subject to the applicable MRED bylaws, rules, regulations and policies.

ARTICLE XX.

Lockboxes

Ensuring Security of Lockboxes

No Member responsible for a real estate listing shall provide any third-party access to the listed real estate without the seller's consent and pursuant to the terms and conditions that the seller may reasonably request. No Member shall provide lockbox codes or similar access devices or information to unauthorized third parties. No Member who holds, possesses, or is responsible for an electronic keycard shall allow that electronic keycard to be used by any person other than the person specifically authorized to use the keycard. No Member shall give an electronic code or combo code to any person not specifically authorized to use or possess the code. In addition to the provisions of this Section, Members shall comply with all rules and regulations that the association may from time-to-time adopt and promulgate regarding the security of listed and other real estate.

Subject to notice and an opportunity to be heard on and appeal any fine imposed pursuant to this Section, any Member that violates the provisions of this Section or any of the rules and regulations that the association adopts and promulgates regarding the security of listed and other real estate shall be subject to a fine in an amount established by the Board of Directors.