

Bylaws of the
Passaic County Board of REALTORS®
Approved by the Board of Directors August 20, 2015
Approved by the Membership September 24, 2015

Article I- Name

Section 1. Name.

The name of this organization shall be the Passaic County Board of REALTORS®, hereinafter referred to as the "Association".

Section 2. REALTORS®.

Inclusion and retention of the registered collective membership mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the National Association of REALTORS® and from time to time be amended.

Article II- Objectives

Section 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.

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 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 4.

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

Section 5.

To unite those engaged in the real estate profession in this community with the New Jersey 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 6.

To designate, for the benefit of the public, those individuals authorized to use the terms REALTOR® and REALTORS®, as licensed and prescribed, and controlled by the National Association of REALTORS®

Article III- Jurisdiction

Section 1.

The territorial jurisdiction of the Association as a member of the National Association of REALTORS® is:

All of Passaic County and Contiguous Areas

Section 2.

Territorial jurisdiction is defined to mean:

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 the Association agrees to protect and safeguard the property rights of the National Association of REALTORS® in the terms.

Article IV- Membership

Section 1. There shall be six classes of Members. They are as follows:

(a) REALTOR® Members, whether primary or secondary shall be:

(1) 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 New Jersey 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 except as provided in the following paragraph, and each is required to hold REALTOR® membership in an Association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Article IV.

Note: REALTOR® Members can obtain secondary membership in another state.

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or branch office managers and are associated with a REALTOR® member and meet the qualifications set out in Article V.

(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 established 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 Association-mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise firm's name; and the right to hold elective office in the local, state, or National Associations.

(3) Primary and Secondary REALTOR® Members. An individual is a Primary member if the Association pays State and National dues based on such Member. An individual is a Secondary member if state and National dues are remitted through another Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their Primary Association.

(4) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one 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 Association 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 these bylaws.

(b) Institute Affiliate Members.

Institute Affiliate Members shall be individuals who hold a professional designation award 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.

(c) Affiliate Members.

Affiliate members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession have interests requiring information about concerning real estate, and are in sympathy with the objectives of the Association.

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 the Association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

(d) Public Service Members.

Public Service members shall be individuals who are interested in the real estate profession as employees of or affiliated with the educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in Association with an established real estate business.

(e) Honorary Members.

Honorary members shall be individuals not actively engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.

(f) Student Members.

Student members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in the real estate profession on their own account or are not associated with an established real estate office.

Article V- Qualification and Election to Membership.

Section 1. Application.

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. The application form shall contain among the statements to be signed by the applicant 1. that applicant agrees as a condition of membership to thoroughly familiarize himself with the Code of Ethics of the National Association of REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, State and National Associations, and if elected a member, will abide by the Constitutions, Bylaws, and Rules and Regulations of the Association, State and National Associations, and if elected 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, and 2. that the applicant consents that the Association, through the Board of Directors may invite and receive information and comment about applicant from any member or other persons, and that the applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel 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.

Section 2. Qualification.

An applicant for REALTOR® Membership who is a sole proprietor, partner or corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association, the Board of Directors or otherwise, that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson'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 official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the bylaws and rules and regulations of the Association, the Bylaws of the New Jersey REALTORS®, and the Constitution, Bylaws and the Code of Ethics of the National Association of REALTORS®, and pass such reasonable and nondiscriminatory written examination thereon as may be required by the Board of Directors, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations and Code of Ethics.

**No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider

- A. judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. Criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, or 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 the Association or a Designated REALTOR® member of another Association (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 the, the Bylaws of the New Jersey Association of REALTORS®, and the Constitution and Bylaws and Code of Ethics of the National Association of REALTORS® and shall pass such reasonable and nondiscriminatory written examinations as may be required by the Board of Directors, and shall agree to in writing that if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations and Code of Ethics.

The Association 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 REALTOR® 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 REALTOR® Association or MLS;
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

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 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 in 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 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 and may be 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 by the Bylaws, or, if the individual does not satisfy all of the requirements of membership, for example, completion of the mandatory orientation program, within three scheduled orientations from the Association's receipt of application, membership will be suspended, and at year-end shall automatically terminate, upon reinstatement, if applicable, reinstatement fees will apply. Should there be extenuating circumstances, the provisional member may appeal to the Board of Directors, in writing, for final disposition.
- (b) Dues shall be computed from the date of application and shall be non-refundable unless the Board of Directors terminates the individual's membership in accordance with Subsection (a) above. In such instances,

local dues shall be returned to the individual less a pro-rated amount to cover the number of days that the individual received Association services and less any application fee.

- (c) The Board of Directors may not terminate any provisional membership without providing the provisional member advanced 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 may electronically or mechanically record the proceedings.
- (d) If the Board of Directors determines that the application should be rejected it shall record its reasons with the Chief Staff Executive. If the Board of Directors believes that termination of provisional membership to the applicant may become the basis of litigation and a claim of damage by the provisional member, it may specify that termination shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the individual.
- (e) If a member has a license suspension or other status change to their license issued by the New Jersey Real Estate Commission it shall be their duty to notify the Association in writing within thirty (30) days of status change.

Section 4. New Member Orientation and Code of Ethics Training.

Applicants for REALTOR® membership and provisional REALTOR® membership shall complete an orientation program and a Code of Ethics program of not less than two hours and thirty 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 year or less. A written verification from the other Association will be required.

Failure to satisfy this requirement within the next scheduled three orientations after application is made and provisional status is granted, will result in denial of the membership application or termination of provisional status. Reinstatement fees will apply.

Section 5. REALTOR® Code of Ethics Training.

Effective January 1, 2001 through December 31, 2004, and for successive four year periods thereafter, each REALTOR® Member of the Association, (with the exception of those granted REALTOR® Emeritus status by the National Association of REALTORS®) shall be required to complete quadrennial ethics training of not less than two hours and thirty 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 New Jersey 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 as a requirement of membership in another Association and REALTOR® Members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty. Failure to meet the requirement will result in suspension of membership for the first two months, January and February of the following year following the end of any four (4) year cycle or until the requirement is met, whichever comes sooner. On March 1st of the following year, the membership of a member who is still suspended as of that date will automatically terminate. Reinstatement fees shall apply.

REALTOR® Members, previously terminated for not completing the Quadrennial Ethics training, shall be required to complete the Ethics Training class within sixty (60) days upon receipt of their reinstatement application. Failure to complete said training will result in suspension. Reinstatement fees will apply and the member shall be terminated at year-end if compliance is not met as stated above.

Section 6. Status Changes.

(a) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within thirty (30) 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 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 he/she has transferred within thirty (30) days of the date he or she advised the Association of his or her change in status, then such new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring his/her license from one 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 30 days of the date the Association 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 the Association'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 quarter 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.

Article VI- Privileges & Obligations

Section 1.

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

Section 2.

Any Member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations consistent or with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Association, 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 Board of Directors 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® and REALTORS® and the real estate industry, or for conduct that is inconsistent with, or adverse to the objectives and purposes of the local Association, the New Jersey Association and the National Association of REALTORS®.

Section 3.

Any REALTOR® Member 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 of the Association, provided that the discipline is 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 of REALTORS.

Section 4.

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

Section 5.

If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she 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, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 6.

REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and

REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

- (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 Member with the firm, partnership or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself/herself 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 the Association 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 the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing that 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/her connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, 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.

- (a) 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 of Article VI, Section 6(a) shall apply.

Section 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®, REALTOR-ASSOCIATE® 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 8. Affiliate Members

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

Section 9. Public Service Members

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

Section 10. Honorary Members

Honorary Members shall have the right to attend meetings and participate in discussions.

Section 11. Student Members

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

Section 12. Certification by REALTOR®

Designated REALTOR® Members of the Association shall certify during the month of November, on a form provided by the Association, a complete listing of all individuals licensed with the REALTOR'S® office(s) and shall designate a Primary Association 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 Association based on said non-member licensees, the Designated REALTOR® shall identify the Association 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 the Association, in writing, of any additional individual(s) licensed with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual.

Section 13. Harassment.

Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association, or an employee of an MLS owned by the Association, or any Association volunteer, after an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks or other physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, First Vice President or Second Vice President, and one Member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon legal consultation with counsel for the Association. Disciplinary action may include any sanction authorized in the Association's Code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect or Vice President, such charged individual may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another Member of the Board of Directors selected by the highest ranking officer not named in the complaint.

Article VII- Professional Standards and Arbitration.

Section 1.

The responsibility of the Association and of Association 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 from time to time amended, which is by this reference incorporated into these bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2.

It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations, the Constitution and Bylaws of the State Association and the National Association of REALTORS® and to abide by the Code of Ethics of the National Association of REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified in Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.

Section 3.

The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes, and the organizational and procedures incident thereto, shall be consistent with the Cooperative Professional Standards Enforcement Agreement entered into by the Association, which by this reference is made a part of these Bylaws.

Article VIII- Use of the Terms REALTOR® and REALTORS®

Section 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. The Association 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 in the Association's Code of Ethics and Arbitration Manual.

Section 2.

REALTOR® Members of the Association 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 3.

A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all principals of such firm, partnership, or corporation who are actively engaged in 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 or 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 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 1.

The Association shall be a member of the National Association of REALTORS® and the New Jersey REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to Membership in the National Association of REALTORS® without further payment of dues and upon payment of dues as established by the New Jersey REALTORS® to membership in the State Association. The Association shall continue as a member of the state and national Associations, unless by a majority vote of all its REALTOR® Members, decision is made to withdraw, in which case the state and national Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2.

The Association recognizes the exclusive property rights of the National Association of REALTORS® in the terms REALTOR® and REALTORS®. The Association 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 of REALTORS® that it has violated the conditions imposed upon the terms.

Section 3.

The Association adopts the Code of Ethics of the National Association of REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the New Jersey REALTORS®.

Article X- Dues and Assessments.

Section 1. Application Fee

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

Section 2. Dues

The annual dues of Members shall be as follows:

- a) REALTOR® Members. The annual dues of each Designated REALTOR® shall be established annually , plus an additional amount 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 Association in a state or a state contiguous thereto or Institute Affiliate Members of any Association. In calculating the dues payable 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 in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or

corporation whose business actively 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 this Association.

- (1) For the purpose of this Section, a REALTOR® Member of a Member Association 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 1, 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 which is engaged in other aspects of the real estate business (except as provided in Section B(a) 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 annually file with the Association on a form approved by the Association a list of the licensees affiliates with that entity and shall certify that all of the licensees affiliated with that entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®. Designated REALTORS® shall notify the Association within three (3) days of any change in status of licensees in a referral firm. 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 be payable.

Membership dues shall be prorated for any licensee included on the 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 established by the Board of Directors.
- (c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be established in Article II of the Bylaws of the National Association of REALTORS®.
- (d) Affiliate Members. The annual dues for each Affiliate Member shall be as established by the Board of Directors.
- (e) Public Service Members. The annual dues of each Public Service Member shall be as established by the Board of Directors.
- (f) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors as established by the Board of Directors.
- (g) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors as established by the Board of Directors.

Note: The Institutes, Societies and Councils of the National Association of REALTORS® 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 Association. 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.

Section 3. Dues Payable.

Dues for all Members shall be payable annually in advance on the first day of January and local dues shall be pro-rated quarterly. 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 Association dues, and the licensee remains with the Designated REALTOR'S® firm, the dues obligation of the Designated REALTOR® (as set forth in Article X, Section 2) 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 thirty (30) days of the notice of termination.

Section 4. Nonpayment of Financial Obligations.

If dues, fees or fines are imposed, they may be changed from time to time at the discretion of the Board of Directors. If not paid by February 1st, including the late fee, the Member will be considered delinquent and subject to suspension at the discretion of the Board of Directors. As of March 1st, membership of the non-paying Member may be terminated at the discretion of the Board of Directors and reinstatement fees will apply. As of April 1st, the non-paying Member shall be automatically terminated if his/her dues and late fees are not paid.

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 or her Membership terminated for nonpayment 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 the Association 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 5. Deposit and Expenditures.

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

Section 6. Notice of Fees, Fines, Assessments, and other Financial Obligations of Members.

All dues, fees, fines, assessments, or other financial obligations to the Association shall be payable on receipt of billing, subject to such grace periods as the Board of Directors determine. Member shall be notified in writing of delinquencies and due date for total amount owed.

Section 7.

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

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

Article XI-Officers, Directors and Chief Executive Officer.

Section 1. Officers.

The elected officers of the Association shall be: a President, a First Vice President, a Second Vice President and a Treasurer. They shall be elected for terms of one year.

Section 2. Duties of Officers.

The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors.

Section 3. Board of Directors.

The governing body of the Association shall be a Board of Directors. The Board of Directors shall consist of the elected Officers, the two (2) immediate past presidents, unless that option does not exist, then any active past president member in good standing may fill the position, six (6) Directors, two Alternate Directors, a first alternate and a second alternate. All of the Members of the Board of Directors must hold REALTOR® membership in this Association.

- a) Each of the Directors shall be elected to serve a term of three (3) years, with two (2) Directors to be elected for each year for such term.
- b) No director shall serve for more than three (3) consecutive three (3) year terms.
- c) No more than two (2) REALTORS® from the same office may simultaneously serve on the Board of Directors. Same office shall be construed by the Board as the same physical location.

d) The President shall not serve more than two consecutive terms. There shall be a three-year waiting period after serving consecutive terms as President, prior to serving additional terms as President.

Section 4. Election of Officers and Directors.

At least to two months before the annual election in September, a Nominating Committee consisting of the immediate Past President and (6) other REALTOR® Members shall be appointed. Three Members shall be appointed by the Board of Directors plus one additional to serve as alternate, one by the immediate Past President and one by the current President. The immediate Past President shall be appointed chairperson, unless that option is not available, then an alternate Chairperson selection shall be appointed by the President. If there are vacancies on the Nominating Committee they should be appointed by the President of the Association.

The Nominating Committee shall select one candidate for each place to be filled on the Board of Directors.

The Nominating Committee shall establish its own policies and procedures for the conduct of its meetings. It shall choose nominees who have demonstrated their ability to fulfill the criteria of the job description for the positions for which they have been nominated as established in the Association's procedure and policy manual, otherwise known as the Table of Operations and Efficiency (TO&E). The nominees selected shall have a minimum of two years of Association committee service shall be criteria for selection of a candidate unless the Board of Directors shall establish other criteria. The Nominating Committee shall prepare and distribute to all REALTOR® Members an application form to be submitted by those seeking nomination. The nominating committee shall conduct interviews by telephone or in person, or require references.

The report of the Nominating Committee shall be provided to each Member eligible to vote at least four (4) weeks preceding the election, or where permitted by state law, electronically transmitted. Additional candidates for the Board of Directors to be filled may be placed in nomination by petition signed by at least 20% of the REALTOR® Members eligible to vote. The petition shall be filed with the Chief Executive Officer at least two (2) weeks before the election.

The Chief Executive Officer shall send electronic notice of such additional nominations to all Members eligible to vote at least ten (10) days before the election. In the event the nominated candidate(s) run unopposed the election process will not take place. Notice will be given to the membership that in the

absence of any petitions filed; the nominated candidate(s) will assume a seat on the Board of Directors.

- a) If any Member of the Nominating Committee is nominated by the Nominating Committee for a position on the Board of Directors, such nominee shall resign from the Nominating Committee and a replacement be appointed by the President as set forth in the first paragraph of this Section D. This provision shall not apply to Directors serving on the Nominating Committee whose term of office has not expired.
- b) If any Member of the Board of Directors is nominated for directorship of the National Association of REALTORS® or the New Jersey REALTORS® then such Member may not participate in the vote by the Directors for such office.
- c) If there is a run-off election of Directors, it shall take place at the annual meeting in September. The candidates who receive the highest number of ballots shall be elected. In the event of a tie vote, the candidates shall be selected by lot.
- d) The President shall appoint an Election Committee of three (3) REALTOR® Members to conduct the election.

Within thirty (30) days following the annual meeting, the fifteen (15) members of the current Board of Directors, including those with expiring terms, shall hold a meeting at the Association Office for the purpose of electing from among themselves the officers (a President, a First Vice President, a Second Vice President, and a Treasurer,) for the following year. A quorum shall be considered 2/3 (two-thirds) of the directors present and eligible to vote.

The Chief Executive Officer, for the purpose of facilitating the meeting only, shall serve as Chairperson. He/she shall not participate in any voting. Election shall be by ballot. The ballot shall contain the names of candidates and the positions for which they are nominated. In case of a tie vote, there shall be a run-off election. If the run-off election results in a tie vote, the issue shall be determined by lot. All votes must be cast in person.

The Association President shall serve as the Director to the National Association of REALTORS®.

If the option of Association President serving as the National Director is unavailable, a National Director may be chosen by the Board of Directors from a

pool of current officers who demonstrate interest and make application for this position. The term shall be for one year.

The President shall select Members to serve as Directors of the New Jersey REALTORS® in accordance with the rules of the State Association. To the extent that the rules of the State Association do not direct which Members of the Board of Directors will serve, they shall be nominated by the President and ratified by a majority of the Members of the Board of Directors voting at a meeting of the Board of Directors.

Section 5. Vacancies.

Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next election.

Section 6. Removal of Officers and Directors.

An Officer or Director who is determined, pursuant to the following provisions, to be incapable of fulfilling or fails to fulfill the duties for which he/she is responsible, may be removed from office under the following procedure:

- a) A petition requiring the removal of an Officer or Director and signed by not less than one third (1/3) 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.
- b) 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 the Association 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.
- c) The special meeting shall be held on not less than ten (10) days prior notice to all REALTOR® Members. It shall be conducted by the President of the Association unless removal of the President's continued service in office is being considered. In which case, the next highest ranking officer shall conduct the meeting. The Member of the Board of Directors whose continued service is the subject of the meeting may present such testimony or other evidence as he/she deems appropriate and each REALTOR® Member shall be provided with a similar opportunity. The meeting shall not be held unless the quorum requirements for meetings of the REALTOR® Members of the

Association has been satisfied. The affirmative vote of three-quarters (3/4) of the REALTOR® Members present and voting shall be required for removal from office.

Section 7. Chief Executive Officer.

There shall be a Chief Executive Officer, appointed by the Board of Directors, who shall be the chief administrative officer of the Association. The Chief Executive Officer shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors. It shall be the particular duty of the Chief Executive Officer to keep the records of the Association and to carry on all necessary correspondence with the National Association of REALTORS® and the New Jersey REALTORS®.

Article XII – Meetings.

Section 1. Annual Meetings.

The annual meeting of the Association shall be held during September of each year, the date, place and hour to be designated by the President.

a) Quorum for Membership Meetings.

A quorum for the transaction of business at a General Membership or Special General Membership meeting shall consist of those voting Members present and a majority of the Board of Directors. In order to vote the dues of the voting Member must be paid. A minimum of one hundred (100) REALTOR® Members must be present to constitute a quorum.

b) At least two Meetings of the REALTOR® Members (one of which shall be the annual meeting in September) shall be held each calendar year.

Section 2. Meetings of Directors.

The Board of Directors shall meet once during each month, providing there is an agenda for said meeting as determined by the Officers, on such regular or special dates as the Board of Directors may from time to time determine. A quorum for the transaction of business shall be a majority of the Board of Directors. Special meetings may be called by the President or by the Chief Executive Officer or on the written demand of any five (5) Members of the Board of Directors.

Absence from three (3) regular meetings or special Board of Director meetings shall be construed as resignation at the discretion of the Board of Directors.

a) Action in Lieu of Meetings of the Board of Directors.

The Board of Directors may approve a resolution by written consent thereto signed by at least seventy-five (75) percent of the Members of the Board of Directors. In addition, a resolution may be approved by a telephone, fax or email poll of the Members of the Board of Directors, provided that the exact language of the resolution is read/stated to the Members of the Board of Directors and at least seventy-five (75) percent of the Members of the Board of Directors state their approval thereof. Immediately following the approval of the resolution by telephone, fax or email poll the Board of Directors shall ratify their decision at their next scheduled Board of Directors meeting for the official record.

Section 3. Other Meetings.

Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least ten (10) percent of the Members eligible to vote.

Section 4. Notice of Meetings.

Written notice shall be given to every Member entitled to participate in the meeting at least (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

a) During emergency circumstances, notice may be waived at the discretion of the Association President. An emergency is defined as extraordinary circumstance, a serious, unexpected, and often dangerous situation requiring immediate action.

Section 5. Electronic Transaction of Business.

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

Article XIII- Committees.

Section 1. Standing Committees.

The President shall appoint from among the REALTOR® Members, or from time to time other classes of members, the following standing committees:

1. Advocacy
2. Affiliate
3. Budget & Finance
4. Bylaws
5. Community Outreach
6. Grievance
7. Legislative
8. Multiple Listing Committee to the Garden State
Multiple Listing Service
9. Nominating Committee
10. Professional Development
11. Professional Standards
12. REALTORS® Political Action (RPAC)
13. Strategic Planning

Affiliate Members may be appointed to serve on the following core committees: Professional Development, REALTORS® Political Action Committee and Strategic Planning. Appointments to the Professional Standards committee and the Grievance Committee shall be consistent with the Cooperative Professional Standards enforcement agreement of the Association. Each of these committees shall require ongoing training to participate as a committee Member.

Section 2. Special Committees.

The President shall appoint, subject to the confirmation by the Board of Directors, special committees, work groups or task forces along with committee Members as deemed necessary to meet the goals of the organization for that year. Affiliate Members may serve on special committees, work groups or task forces as authorized by the President and approved by the Board of Directors.

Section 3. Organization.

All committees shall be of such size and shall have duties, functions, and powers as assigned by the President, the Board's Table of Operation and Efficiency (TO&E) policy and procedures manual or the Board of Directors except as otherwise provided in these Bylaws.

Section 4. President.

The President shall be an ex-officio Member of all ~~core~~ standing committees and special committees and, with the exception of Professional Standards, Grievance and Nominating committees. The President shall be notified of meetings of all committees of which the President is an ex-officio Member.

Section 5. Attendance.

Any committee member who fails to attend three (3) regular or special meetings or a combination thereof during a calendar year, without excuse acceptable to the Chairman of the committee, shall be deemed to have resigned from the committee and the vacancy shall be filled as herein provided for original appointees. Resignation from said committee will not affect the Member's status or service on other committees in which they serve during the calendar year.

Section 6. Terms.

Appointment to committees shall be for a period of one year, commencing January 1 and ending December 31 of each year except as otherwise provided in these Bylaws. In the case of special committees appointed subsequent to January 1st, said special committees shall be for not more than one year and terminate on December 31 of the year of appointment.

The current Chairperson and committee shall work to ensure continuity ~~to~~ allowing the future chairperson and committee a smooth transition for the next year's business, functions and events.

Section 7. Action Without Meeting.

Each committee may establish rules whereby its Members may act by written, electronically transmitted or telephone approval.

Section 8. Remote Attendance.

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

Section 9. Committee Chairperson.

Each Chairperson, selected annually by the President, will have the responsibility of providing an agenda to the President, or the Chief Executive Officer at the President's discretion, notes of said meeting and an attendance record. Records shall be maintained by the Association staff.

- a) Appointed Chairperson(s) not subject to providing agenda or reports to the Board of Directors include the Professional Standards, Grievance and Nominating Committees which functions subject to rules of confidentiality.

Article XIV- Fiscal and Elective Year.

Section 1.

The fiscal and elective year of the Association shall be January 1st to December 31st.

Article XV- Rules of Order.

Section 1.

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

Article XVI- Indemnification.

Section 1.

The Association shall indemnify and hold harmless each Director, Officer and Member of Committees and Chief Executive Officer serving the Association from and against any and all such claims and liabilities to which the individual may be or may become subject by reason of being or having been a director, Officer and/or Member of a committee of the Association and/or by reason of alleged acts or omissions as such, and shall reimburse the individual for all legal and other expenses reasonably incurred in connection with defending against any such claims or liabilities provided, however, no indemnification shall be made to or on behalf of a Director or Officer (including committee chairpersons and committee members) if a judgment or other final adjudication adverse to the Director or Officer (including committee chairpersons and committee members) establishes that the individual's acts or omissions (1) were in breach of a duty of loyalty to the Association or its Members (2) were not in good faith or involved a knowing violation of law, or (3) resulted in receipt by the Director or Officer (including committee chairpersons and committee members) of an improper personal benefit. Indemnification should include the indemnified individuals legal fees, expenses, cost of defense and any amount for which the indemnified individual is determined to be legally responsible in connection with any proceeding involving such individual in his or her capacity as a Director, Officer, Member of Committee and Chief Executive Officer unless such individual is not entitled to indemnification pursuant to the foregoing provisions of this Section 1. Subject to the foregoing, indemnification shall apply to criminal proceedings

notwithstanding that the individual has been found to be guilty or has pleaded guilty or has not contested the charges if such individual had no reasonable cause to believe the conduct was unlawful.

Section 2.

No Director or Officer or Chief Executive Officer (including committee chairpersons and committee members) of the Association shall be personally liable to this Association or to any Member of this Association for breach of any duty owed to the Association or its Members, provided, however, that this provision shall not relieve a Director or Officer or Chief Executive Officer from liability based upon an act of omission (1) in breach of such person's duty of loyalty to the Association or its Member (2) not in good faith or involving a knowing violation of the law, or (3) resulting in receipt by such person or an improper personal benefit.

Section 3.

For purposes of this Article, "expenses" shall mean reasonable costs, disbursements and counsel fees, "liabilities" shall mean amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties and "proceedings" shall mean any pending, threatened or completed civil, criminal, administrative or arbitral action, suit or proceeding, and any appeal therein or any inquiry or investigation which would lead to the action, suit or proceeding.

Section 4.

The decision as to whether the foregoing indemnification provisions are applicable shall be made by the Board of Directors, on a case-by-case basis, at a meeting at which a quorum is present and determined without including Members thereof who were parties to or otherwise involved in the proceeding without including Members seeking indemnification. If the quorum is not obtainable, or even if obtainable and the quorum of the Board of Directors by majority vote of the disinterested Members thereof direct, such determination shall be made by independent legal counsel designated by a majority of such disinterested Members, in a written opinion of the Association.

Section 5.

Expenses incurred by any individual entitled to indemnification pursuant to this Article may be paid by the Association in advance of the final disposition of the proceeding if so authorized by the Board of Directors upon receipt of an undertaking by or on behalf of the individual to repay the amount unless it shall ultimately be determined that such individual is entitled to be indemnified as provided in this Article.

Section 6.

It is the intention of this Article to define and expand on the rights of the Members of the Board of Directors, Committees and Chief Executive Officer and staff to obtain indemnification and nothing contained in this Article shall in any manner be deemed to limit the rights which any Member of the Association shall have to indemnification under any provision of the Certificate of Incorporation, these Bylaws, by resolution of the Board of Directors or General Membership pursuant to a contract or otherwise under applicable law.

Article XVII- Amendments.

Section 1. These Bylaws may be amended by a 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 except that the Board of Directors may, at a regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

- a) When Bylaw amendments are mandated by NAR® (National Association of REALTORS®) 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®. The Association shall provide notice of that change in a regular or special membership communication or on the Association website, currently www.pcbor.com.

Section 2.

Notice of all meetings at which amendments are to be considered or voted on shall be e-mailed and broadcasted on the Association website for every Member eligible to vote at least ten calendar days prior to the meeting. Amendments can be mailed out by US Postal service, regular mail to a Member upon their request.

Section 3.

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

Article XVIII- Dissolution.

Section 1.

Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the New Jersey REALTORS®, or within its discretion, to any other nonprofit tax exempt organization.

Article XIX- Multiple Listing Service.

Section 1. Authority.

The Passaic County Board of REALTORS® may maintain for the use of its Members a Multiple Listing Service which shall be subject to the Bylaws of the Association of REALTORS®, its Table of Operations and Efficiency and such Rules and Regulations as may be hereinafter adopted by the Multiple Listing Service with the approval of the Board of Directors.

Section 2. Purpose

A Multiple Listing Service is a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in agency or non-agency capacities as defined by law); by which cooperation among participants is enhanced by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

Section 3. Vacancies.

Vacancies in non-expired terms shall be filled as in the case of original appointees.

Article XX- PCBOR® Referral Network, LLC.

Section 1.

As approved by the Membership on February 24, 2004 at its first quarter General Membership meeting, the Association shall own and operate a referral network for the optional use by its membership as well as other interested licensed New Jersey Real Estate Agents. It shall operate as a limited liability company in accordance with all applicable state laws. There shall be a salaried Broker of Record who shall be responsible for the operation of the LLC's business in the ordinary course. Broker of Record is responsible to provide quarterly reports to

the Board of Directors and/or provide updates to a review task force as appointed by the President. The Broker of Record shall be vested with full management authority with regard to all brokerage activity conducted by any persons in the name or on behalf of the LLC.

National Association of REALTORS®

The following policy statements are informational, and not part of these Bylaws.

Statements of Membership Policy Related to Implementation of Board of Choice.

That, effective upon approval by the Board of Directors, the following statements of membership policy and amendments to the Model Board Bylaws to implement the board of choice proposal be adopted.

The primary Board of affiliation is elected by a REALTOR® must be in the state where the REALTOR® is licensed and maintains his/her principal place of business. Licensees affiliated with a Realtor® firm may choose as their "primary" Board any Board in the state where the firm maintains a "Designated REALTOR®".

Membership shall be available in a secondary Board on terms and conditions no more stringent than the requirements established in the Board's bylaws for (REALTOR® and Realtor-ASSOCIATE® where applicable) membership. The privileges of membership shall be the same including the right to vote and hold office. Membership will be granted to individuals who hold REALTOR® or Realtor-ASSOCIATE® membership in their primary Board without any requirement that the Designated REALTOR® are licensed or affiliated with hold membership in the secondary Board. However, MLS services will only be available if the Designated REALTOR® participates in the MLS. Board dues shall not include a national allocation since NAR® dues have been paid through the member's primary Board. A state allocation may only be included if the member's primary Board is located in a different state.

REALTORS® shall be entitled to purchase services from Boards other than their primary board without the necessity of holding membership in those Boards. Service fees will be determined by the individual boards except that fees for MLS services may not exceed those for members of the Board. However, the Board may require that a REALTOR® (principal) be licensed in the state as a condition of MLS participation.

(Adopted 2/94)

Concerning Board of Choice Across State Lines

That the membership choices currently provided under Board of Choice be expanded across state lines as follows:

Members may join a primary Board across contiguous state lines. State Association membership would be in the state where primary board membership is held. To become effective July 1, 1996, with optional local Board adoption sooner. (Adopted 11/95)

Portability of Membership Records (Files)

In order to facilitate timely processing of applications for membership and to assist Associations in determining an applicant's qualification for REALTOR® or REALTOR-ASSOCIATE® membership, Associations shall, based on a request from another Association, share information about current or former members. Minimum "core" member information shall include:

1. Previous applications for membership.
2. All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years (when available).
3. Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties.
4. Incomplete or (pending) disciplinary measures.
5. Pending arbitration requests (or hearings)
6. Unpaid arbitration awards or unpaid financial obligations to the Association or its MLS.

An Association may, at its discretion, consider information received from other Associations when determining whether an applicant satisfies the Association's membership requirements as established in the Association's bylaws (not to exceed NAR's Membership Qualification Criteria). (Adopted 2/96)

COOPERATIVE ENFORCEMENT AGREEMENT

COOPERATIVE ENFORCEMENT AGREEMENT BETWEEN THE PASSAIC COUNTY BOARD OF REALTORS® AND THE NEW JERSEY ASSOCIATION OF REALTORS® AND THE WEST ESSEX BOARD OF REALTORS®.

The authority for the establishment of this agreement and utilization of Professional Standards enforcement procedures shall be established by this Agreement approved by the Board of Directors of the New Jersey Association of REALTORS® (NJAR®) and the Board of Directors of the Passaic County Board of REALTORS® (PCBOR®) and the Board of Directors of the West Essex Board of REALTORS® (WEBOR®).

Purpose:

The purpose of this Agreement is to provide support and assistance to local Boards in their efforts to enforce the National Association of REALTORS® Code of Ethics, including mediation of disputes, the conduct of arbitrations and appeals and procedural reviews.

Agreement:

It is agreed that the Passaic County Board of REALTORS® retains the primary responsibility for providing Grievance Committee Members, Ethics and Arbitration Hearing Panel Members, Appeal and Procedural Review Hearing Panel Members and Mediators in the Board's efforts to enforce the Code of Ethics. It is further agreed that NJAR® and WEBOR® shall augment the enforcement efforts of the Board by providing members of the NJAR® OR WEBOR® Professional Standards Committee respectively to serve on the Board's Grievance Committee, Ethics and Arbitration Hearing Panels or as Mediators on an "as needed" basis. It is also agreed that NJAR® and WEBOR® shall further augment the enforcement efforts of the Board by providing members from the NJAR® or WEBOR® Board of Directors to serve on Appeal and Procedural Review Tribunals on an "as needed" basis.

Operation:

Professional Standards hearing and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the National Association of REALTORS® as amended from time to time, and as adapted to conform to the provisions of applicable state law, and which is hereby agreed shall be considered as adopted and incorporated into the bylaws of NJAR®, WEBOR® and PCBOR®.

The Board shall be responsible for administering the procedures and all optional provisions (see pages i and ii of the Code of Ethics and Arbitration Manual) of the Board will control.

Reservation of Rights:

It is understood and agreed by NJAR®, WEBOR®, PCBOR® signatory to this Agreement that the Board reserves to itself all authority, rights, and privileges as have been assigned to it by its Charter and agreement with the National Association of REALTORS®, except as voluntarily modified by this Agreement.

It is further understood and agreed that NJAR®, WEBOR® and the PCBOR® signatory to this Agreement may withdraw from the Agreement at any time provided the withdrawing party shall provide notice to the other signatory ninety (90) days in advance of the date of withdrawal.

The effective date of this Agreement shall be January 1, 2001 with NJAR® and as of April 19, 2006 with WEBOR®.

Passaic County Board of REALTORS®

Jose R. Cordova, President
Attested by: Michelle M. Perrone, Executive Officer

Dated: January 1, 2001

Dan Shiver, President
Attested by: Michelle Perrone Epstein, RCE

Dated: April 19, 2006