

Bylaws of the
Eastern Bergen County Board of REALTORS®, Inc.
Revised September 17, 2009
Effective Date: January 1, 2010
Amended September 16, 2010
Amended September 18, 2014
Amended September 29, 2016
Amended December 31, 2016 (NAR)
Amended October 3, 2017

Article I – Name

Section 1. Name. The name of this organization shall be the Eastern Bergen County Board of REALTORS®, Inc. 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®* as from time to time amended.

Article II – Objectives

The objectives of the Association are:

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 Association of REALTORS® (NJAR) and the NATIONAL ASSOCIATION OF REALTORS® (NAR), 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, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, 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: In the County of Bergen: Alpine, Bergenfield, Bogota, Carlstadt, Cliffside Park, Closter, Cresskill, Demarest, Dumont, East Rutherford, Edgewater, Englewood, Englewood Cliffs, Fairview, Fort Lee, Harrington Park, Haworth, Leonia, Lyndhurst, New Milford, Northvale, North Arlington, Norwood, Old Tappan, Palisades Park, Rockleigh, Ridgefield, Ridgefield Park, Rutherford, Teaneck, Tenafly, Wallington,

Wood-Ridge, AND in the County of Hudson: East Newark, Harrison, and Kearny.
(Amended 09/2014)

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

Article IV – Membership

Section 1. There shall be six classes of members, as follows.

(a) REALTOR® Members. 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 only, and each is required to hold REALTOR® membership (except as provided in the following paragraph) in an association 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 the Association in which one 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" association in another state.

(2) 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.

(3) 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 association-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 association, state association, and National Association.

(4) 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.

(5) 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 the Bylaws.

(b) 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

(c) 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 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 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 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 not associated with an established real estate office.

Article V -- Qualification and Election

Section 1. Application

(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. The 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/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, 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, and (2) that applicant consents that the Association, 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 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. An

applicant who is applying as the DESIGNATED REALTOR® (DR) shall, at the time of application, complete the BOARD CERTIFICATION FORM which provides the Board with a complete listing of all individuals licensed with the applicant.

Section 2. Qualification

(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 the Association, that he/she 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 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 the association, 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 and shall agree that if elected to membership, he/she will abide by such *Constitution*, Bylaws, rules and regulations, and 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 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 association, 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 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) 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 this or 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 association or association 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 (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. (Amended 09/10)

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 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 sixty (60) 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. Any application fee shall not be refunded.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member five (5) day's-notice of the termination and during that notice period the provisional member may request in writing a hearing by the Board of Directors. At the hearing the member may call witnesses on his/her behalf, be represented by counsel, and make such statements as he/she deems relevant. The Board of Directors may also have counsel present. The Board of Directors may require that written minutes be made of any hearing or may electronically or mechanically record the proceedings. The decision of the Board of Directors shall be final.

(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 the Association 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 4. New Member Code of Ethics Orientation

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete a Code of Ethics orientation program of not less than two (2) hours and thirty (30) minutes of instructional time and the association new member orientation program. The Code of Ethics Orientation 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.

(Amended 09/2010)

Failure to satisfy this requirement within sixty (60) days of the date of, 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. Continuing Member Code of Ethics Training

Effective January 1, 2017, through December 31, 2018, and for successive two 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 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 two (2) year cycle shall not be required to complete additional ethics training until a new two (2) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles in any two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)- two (2) 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. (Amended 12-31-16 pursuant to NAR)

Section 6. Status Changes

(a) A REALTOR® who changes the conditions under which he/she 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/she 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 they have transferred within thirty (30) days of the date they advised the Association 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 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 thirty (30) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically.

(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 granted provisional membership and shall be based on the new membership status for the remainder of the year. (Amended 09/2010)

Article VI – Privileges and 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 and Association rules and regulations consistent 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 membership 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 Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3.

Any REALTOR® member of the Association 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 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 4.

Resignations of members shall become effective when received in writing by the Board of Directors, provided, however, that if any member submitting the resignation is indebted to the Association 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 complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®. (Amended 12-31-16 pursuant to NAR)

(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. 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, 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, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by 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 until connection of the disciplined member with the firm, partnership, or corporation is severed, 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 who is other than a principal in a firm, partnership, or 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 7.

Institute Affiliate Members. Institute Affiliate members shall have the right to attend meetings and to participate in discussions. They shall not have the right to vote, to hold elective office or serve on committees. They shall be subject to the obligations prescribed by the Board of Directors consistent with the *Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®*.

Section 8.

Affiliate Members. Affiliate members shall have the right to attend meetings and events and to participate in discussions. They shall not have the right to vote or to hold elected office and are subject to obligations prescribed by the Board of Directors.

(Amended 09/2010)

Section 9.

Public Service Members. Public Service members shall have the right to attend meetings and to participate in discussions. They shall not have the right to vote, to hold elective office or serve on committees and are subject to obligations prescribed by the Board of Directors.

Section 10.

Honorary Members. Honorary membership shall confer only the right to attend meetings and participate in discussions.

Section 11.

Student Members. Student members shall have the right only to attend meetings.

Section 12.

Certification by REALTOR®. "Designated" REALTOR® members of the Association shall certify to the Association on a form provided by the Association, a complete listing of all individuals licensed or certified in 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 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.

Section 13. Harassment.

Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association officer or director after an investigation in accordance with the procedures of 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 similar 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, President Elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint,

upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the Association's Code of Ethics and Arbitration Manual. In the event the President or President Elect are unable or unwilling to act upon the investigatory team, two other members of the Board of Directors may be appointed by the Board. If the complaint names the President or President Elect, they 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 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 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 of the Association, the Constitution and Bylaws of the State Association, the *Constitution and Bylaws of 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 by 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 association 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 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 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 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 Association of REALTORS®. By reason of the Association's membership, each REALTOR® member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the New Jersey Association of REALTORS® without further payment of dues (refer to option below). The Association shall continue as a member of the State and National Associations, unless by a majority vote of all of 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 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 Association of REALTORS®.

Article X – Dues and Assessments

Section 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 the Association upon final approval of the application.

Section 2. Dues.

The annual dues of members shall be as follows.

(a) REALTOR® Members, Designated REALTOR®. 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 association in the state or a state contiguous thereto or Institute Affiliate members of the Association. In calculating the dues payable to the Association 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 association 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 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 this association.

(1) For the purpose of this section, a REALTOR® member of a Member Board 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 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 annually file with the Association on a form approved by the Association a list of the 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 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®.

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® or REALTOR-ASSOCIATE® membership during the preceding calendar year. (Amended 09/10)

(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 (\$75). The National Association shall credit \$25 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 \$25 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 \$25 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) Honorary 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.

(h) The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), 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 Association is assessed for a REALTOR® member, times the number of REALTOR® Emeriti (as recognized by the National Association), past presidents of the National Association, 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 Boards 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" REALTOR®'s 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.

Section 3. Dues Payable.

Dues for all members shall be payable annually in advance on a date as established annually by the Board of Directors. Dues for new members shall be computed from the date of application and granting of provisional membership and shall be prorated for the remainder of the year.

(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 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 thirty (30) days of the notice of termination.

Section 4. Nonpayment of Financial Obligations.

If dues, fees, fines, or other assessments including amounts owed to the Association or the Association's multiple listing service are not paid within one (1) month after the due date, the nonpaying Member shall be assessed a late fee. Two (2) months after the due date, membership of the nonpaying member shall be inactivated without further notice. A former member who has had his/her membership inactivated 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 of membership, after making payment in full of all accounts due as of the date of termination including a reinstatement fee.

Section 5. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members.

All dues, fees, fines, assessments, or other financial obligations to the Association or Association multiple listing service shall be noticed to the association member in writing setting forth the amount owed and due date.

Section 6. Deposits and Expenditures.

Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors. During any one year, the Association shall not incur a non budgeted expenditure or obligation in excess of \$35,000, nor shall the Association exceed a budgeted item by greater than \$35,000 without obtaining the approval of the majority of Members present at a meeting for a modification to the budget. This restriction or limitation shall not apply to the Board of Directors' approval of expenditures in connection with the New Jersey Multiple Listing Service, Inc. and/or its operating committees. (Amended 10/3/17)

Section 7. Negotiable Papers

All checks shall be made in the name of the Association and signed by any two (2) of the following Officers: President, President Elect or Treasurer. Checks may also be signed by the Chief Executive Officer singly for amounts under \$10,000 with the consent of the President. All other negotiable instruments of the Association other than checks shall be made in the name of the Association and signed by two of the following officers: President, President Elect or Treasurer.

Section 8. Association Assets

All right, title and interest in the property and assets of this Association shall be vested absolutely in the Association and shall be used in accordance with Association business and functions as described in these bylaws and in accordance with the annual budget. (Amended 10/3/17)

Section 9. Annual Budget The proposed annual budget shall be presented to the members at the annual meeting. The approval of the budget requires a majority vote of the members in good standing who are eligible and present to vote at the annual meeting or have registered a qualified vote electronically provided electronic means was authorized for the vote.

Article XI – Officers and Directors

Section 1. Officers.

The elected officers of the Association shall be: a President, a President Elect, a First Vice President, and a Treasurer, They shall be elected for terms of one year. No elected officer may serve for more than two (2) years in the same position. However, nothing in these bylaws shall prohibit a currently elected officer from completing his/her assigned term. A REALTOR® member can only serve in one officer position at a time. An Executive Committee shall consist of the President, the President Elect, the First Vice President, the Treasurer, the Immediate Past President and the Chief Executive Officer. (Amended 09/2010)

Section 2. Duties of Officers.

The duties of the officers shall be such as their titles, by general usage, would indicate and as outlined below and such as may be assigned to them by the Board of Directors. The President, President Elect and if authorized by the State Association, the First Vice President, and the Treasurer shall be State Directors and authorized to vote as representatives of the Association at all New Jersey Association of REALTORS® meetings.

(a) President: The President shall preside at Association meetings and those of the Board of Directors. The President shall represent the Association and act in its name, subject only to its declared policies. The President shall appoint all committee chair people subject to the approval of the Board of Directors. The President shall be an ex-officio member of all committees, except the Nominating Committee, and shall perform all other duties usual to such office. The President shall be a State Director and is authorized to vote as a representative of entire Association at all New Jersey Association of REALTORS® meetings. The President shall also act as the Voting Delegate at the Annual Business Meeting of the New Jersey Association of REALTORS®.

(b) President Elect: The President Elect shall perform the duties of the President in the event of the President's absence or disability, and shall perform such other duties as may be assigned by the President

or the Board of Directors. The President Elect shall be a State Director and is authorized to vote as a representative of the entire Association at all New Jersey Association of REALTORS® meetings. The President Elect shall also act as the Alternate Voting Delegate at the Annual Business Meeting of the New Jersey Association of REALTORS®.

(c) First Vice President: It shall be the particular duty of the First Vice President to serve as Secretary of the Corporation and to oversee the committees, programs and services of the Association and shall perform such other duties as may be assigned by the President or the Board of Directors. If a third State Director is authorized by the State Association, the First Vice President shall be that third State Director and shall be authorized to vote as a representative of the entire Association at all New Jersey of REALTORS® meetings.

(d) Treasurer: The Treasurer shall be responsible for all funds of the Association; shall see that all dues is collected and that all Association funds are deposited in the general account; provide a regular report of the Association's financial condition; provide an annual budget for the Board of Directors and general Membership's approval; direct the Chief Executive Officer in the collection of dues and payment of bills; and see that necessary government reports are filed as required. If a fourth State Director is authorized by the State Association, the Treasurer shall be that fourth State Director.

(Amended 09/2010)

Section 3. Board of Directors.

The governing body of this Association shall be a Board of Directors comprised of fifteen (15) Directors. Directors shall be elected to serve for terms of three (3) years except as otherwise necessary to fill vacancies. As many Directors shall be elected each year as are required to fill vacancies. An individual may serve no more than two elected terms as Director during any nine (9) year period, unless that individual has remained a non-Director (off the Board of Directors), and up two (2) years of service to the Board of Directors in the capacity of Immediate Past President for a period of three (3) consecutive years immediately preceding his/her term and subsequent service to the Board in the capacity of Immediate Past President. However, nothing in these bylaws shall prohibit a currently elected Director from completing his or her term. The Immediate Past President who if not otherwise a Director shall serve the Board of Directors in an advisory role, The Immediate Past President shall attend the meetings of the Board of Directors, but shall not vote.

(Amended 09/2010)

Section 4. Election of Directors and Officers.

(a) At least three (3) months before the annual election, a Nominating Committee chaired by a past president of the Association and consisting of six (6) REALTOR® members and two (2) Board Directors appointed by the President, shall be established with approval from the Board of Directors. No REALTOR member, member of the Board of Directors or past president may serve on the Nominating Committee for more than three years during any five year period

The Nominating Committee shall select one candidate for each place to be filled on the Board of Directors. No REALTOR® member shall be nominated, or elected to serve in any office of the Association unless that REALTOR® has been a member of this Association, in good standing, for a minimum period of three (3) years immediately prior to the first meeting of the Nominating Committee. Selection shall be by a majority vote if more than two (2) candidates are being considered for one position. No Member of the Nominating Committee is eligible for nomination as a Director by the Nominating Committee, but may be nominated as an independent candidate by petition. The report of the Nominating Committee shall be mailed or where permitted by state law electronically transmitted to each member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the position to be filled may be placed in nomination by a petition signed by at least 10 percent (10%) of the all members in good standing and eligible to vote, based on the REALTOR® membership as of July 1st. The petition shall be filed with the Chief Executive Officer at least two (2) weeks before the election. The Chief Executive Officer shall send notice of such additional nominations to all members in good standing and eligible to vote before the annual election.

(b) The election of Directors shall take place at the annual meeting. Election shall be by ballot and may be

conducted by electronic means. The ballot shall contain the names of all candidates and terms for which they are nominated.

(c) The President, with the approval of the Board of Directors, shall appoint an election committee of three (3) REALTOR® members to conduct the election. In case of a tie vote, the issue shall be determined by lot.

(d) Within thirty (30) days following the annual meeting, the fifteen (15) members of Board of Directors for the following year shall hold a meeting for the purpose of electing from among themselves the officers (a President, a President Elect, a First Vice President, and a Treasurer,) for the following year. The Chief Executive Officer for the purpose of facilitating the meeting only, shall serve as Chairperson. He or she shall not participate in any voting. Election shall be by ballot, except where there is only one nominee; then, and in that event, the election shall be by voice vote. 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 shall be cast in person.

(Amended 09/2010), (Amended 09/2016)

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 annual election.

Section 6. Removal of Elected Officers and Directors.

In the event that an elected 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) A petition requiring the removal of an officer or director and signed by not less than twenty percent (20%) of the all members in good standing who are eligible to vote 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 sixty days (60) days thereafter, a special meeting 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 noticed to all members in good standing who are eligible to vote at least ten (10) days prior to the meeting, and shall be conducted by the President of the Association unless the President's 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.

(d) Provided a quorum is present, a majority vote of members present and voting shall be required for removal from office.

Section 7. Chief Executive Officer.

There shall be a Chief Executive Officer, employed by the Board of Directors, who shall be the chief administrative officer of the Association. The Chief Executive Officer was formerly designated as the Executive Vice President. The Chief Executive Officer is not an elected officer, and serves at the will of the Board of Directors. The Chief Executive Officer is subject to the direction of the President and the Board of Directors. 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 Chief Executive Officer to keep the records of the Association and carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the New Jersey Association of REALTORS®. The duties of the Chief Executive Officer shall also include operating the Board within the annual budget; serving on the Executive Committee; attending Board of Director Meetings, and State and National Meetings as required; supervising the orderly processing of ethics complaints and

arbitration requests and any other duties required to carry out the day-to-day operations of the Board.
(Amended 09/10)

Section 8. NAR Directors.

The Immediate Past President shall serve as the NAR Director as permitted by NAR Bylaws. If the Immediate Past President is unwilling or unable to serve, the Board of Directors shall appoint a replacement and appoint any other NAR Directorships to be filled. The term of each NAR Director(s) shall be one (1) year. Additional NAR Directors shall be elected by the Board of Directors.
(Amended 09/2010), (Amended 09/2016)

Article XII – Meetings

Section 1. Annual Meeting.

The annual meeting of the Association shall be held when reasonably possible during the month of September of each year, the date, place, and hour to be designated by the Board of Directors.

Section 2. Meetings of Directors.

The Board of Directors shall designate a regular time and place of meetings. Individuals attending a Board of Directors' Meeting, other than members of the Board of Directors, shall attend at the invitation of the President, with the approval of the Board of Directors. Absence by a Director from three (3) regular meetings without an excuse deemed valid by the majority of the Board of Directors shall be deemed by the Board as a resignation of the Director who thereby consents to his/her replacement in accordance with the vacancy procedure contained in these bylaws.

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 percent (10%) of the members in good standing who are eligible to vote.

Section 4. Notice of Meetings.

Notice shall be given to every member entitled to participate in the meeting at least (10) days, but not more than sixty (60) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting. Notice of meetings may be provided via email, ordinary mail, fax, personal service or other accepted electronic means. By accepting membership in the Association, all members agree to receive and accept notice of meetings, as well as all other information and documents pertaining to Association business, by electronic means including but not limited to e-mail. (Amended 09/2016)

Section 5. Quorum.

A quorum for the transaction of business shall consist of five (5) percent of all members in good standing who are eligible to vote. A quorum for the transaction of business at a Board of Directors' Meeting shall consist of eight (8) Directors.

Section 6. Electronic Transaction of Business.

To the fullest extent permitted by law, the business of the Board of Directors or the membership may be conducted by electronic means. By accepting membership in the Association, all members agree to receive and accept notice of meetings, as well as all other information and documents pertaining to Association business, by electronic means including but not limited to e-mail.

Section 7. Action without Meeting.

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 or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the secretary 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 XIII – Committees

Section 1. Standing Committees.

The President shall appoint from among the REALTOR® members, subject to confirmation by the Board of Directors, the following standing committees:

- Professional Standards – The Professional Standards Committee shall consist of a minimum of 21 REALTOR® members in good standing. The Chairperson shall be one of the 21 committee members.
- Grievance
- Multiple Listing - The voting members and alternates of the New Jersey Multiple Listing Service shall be appointed by the President, subject to the approval of the Board of Directors, based on the number and terms as set forth in the bylaws of the New Jersey Multiple Listing Service, as from time to time amended. The Board President shall not serve as President of the New Jersey Multiple Listing Service while serving in the capacity of Board President.
- Equal Opportunity & Cultural Diversity
- Professional Development
- REALTORS® Political Action Committee
- Community Service & Outreach

In addition to these committees the President shall appoint the necessary committees, task forces, or work groups to fulfill the strategic needs, goals and workings of the Association. The President shall be an ex-officio member of all committees, task forces, and work groups and shall be notified of all meetings. (Amended 09/2010), (Amended 09/2016)

Section 2. Action without Meeting.

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

Section 3. Attendance by Telephone.

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

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 the 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 – Amendments

Section 1.

These Bylaws may be amended by a majority vote of the members present and eligible to vote at any meeting at which a quorum is present, or who have registered a qualified vote electronically provided electronic means was authorized for the vote; provided that the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting or vote. Before any amendment is presented to the voting membership for a vote, the proposed amendment shall first be presented to the Board of Directors for recommended action.

(a) 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®. The Association shall provide notice of that change in a regular or special membership communication.

Section 2.

Notice of all meetings at which amendments are to be considered shall delivered to every member in good standing who is eligible to vote at least ten (10), but not more than sixty (60) days prior to the meeting in accordance with the general notice provisions of the Association.

Section 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 the Association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

Article XVII – 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 Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

Article XVIII – Multiple Listing

Section 1. Authority.

The Board of REALTORS® shall maintain for the use of its Members a regional multiple listing service (New Jersey Multiple Listing Service, Inc.) which shall be a lawful corporation of the State of New Jersey, which shall be operated by the participating (member) Boards of REALTORS® (The Eastern Bergen County Board of REALTORS® and the RealSource Association of REALTORS®)

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 other agency or nonagency capacities 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. Participation.

Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service “membership” or “participation” unless they hold a current, valid real estate broker’s license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation” or “membership” or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and ongoing basis during the operation of the participant's real estate business. The “actively” requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a “Virtual Office Website” (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants.

Section 4. Governing Documents

The Board of Directors shall cause the New Jersey Multiple Listing Service, Inc established by it pursuant to this Article to conform its Corporate Charter, Constitution, Bylaws, Rules Regulations, and Policies, Practices, and Procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®. All individuals who elect to participate in the Multiple Listing Service shall be governed by the Bylaws, Rules and Regulations of the New Jersey Multiple Listing Service, Inc, as amended from time to time, which are by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state or federal law shall be deleted or amended to comply with state or federal law.

Section 5. Access to Comparable Statistical Information

Board Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the New Jersey Multiple Listing Service including “comparable” information, “sold” information,

and statistical reports. This information is provided for the exclusive use of Board Members and individuals affiliated with Board Members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the New Jersey Multiple Listing Service's Rules and Regulations. Board members who receive such information through the New Jersey Multiple Listing Service are subject to the applicable provisions of the New Jersey Multiple Listing Service's Rules and Regulations whether they participate in the MLS or not.

Section 6.

Approval of amendments (when and if required) to the Bylaws of the jointly sponsored and jointly operated New Jersey Multiple Listing Service, Inc. shall be made by a majority vote of the Board of Directors on behalf of the General Membership, without prior notice to the General Membership.

Article XIX Indemnification

Section 1.

The Association shall indemnify and hold harmless each Director, Officer, and Member of Committees 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.

Section 2.

No Director or Officer (including committee chairpersons and committee members) of the Association shall be personally liable to this Board 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 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 law, or (3) resulting in receipt by such person of an improper personal benefit.