

**PASSAIC COUNTY BOARD OF REALTORS® ,
INCORPORATED**

B Y L A W S



PASSAIC COUNTY BOARD OF REALTORS®, INCORPORATED

204 Berdan Avenue
Wayne, New Jersey 07470-3240

REALTOR® is a registered collective membership mark
which identifies real estate professionals who are members of the
NATIONAL ASSOCIATION OF REALTORS® and
subscribe to its strict Code of Ethics.

PASSAIC COUNTY BOARD OF REALTORS® 2006
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PASSAIC COUNTY BOARD OF REALTORS® INCORPORATED

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**PROPOSED BYLAWS
of the**

PASSAIC COUNTY BOARD OF REALTORS® , INCORPORATED

Article I- Name

Section 1. Name. The name of this organization shall be the Passaic County Board of REALTORS®, Incorporated, hereinafter referred to as the "Board".

Section 2. REALTORS®. Inclusion and retention of the registered collective membership mark REALTORS® in the name of the Board shall be governed by the Constitution and Bylaws of the National Association of REALTORS® from time to time 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 Association of 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 Board 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:

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

Article IV- Membership

There shall be seven classes of members. They are as follows:

1. REALTOR® Members. REALTOR® members, whether primary or secondary shall be:
Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of 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 in a Board of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV.
Note: REALTOR® members may obtain membership in a "secondary" Board in another state.
 - a. Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or branch office managers and are associated with a REALTOR® member and meet the qualifications set out in Article V.
 - c. 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 board 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 Board, state association or National Association.
 - d. Primary and secondary REALTOR® members. An individual is a primary member if the Board pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another Board. One of the principals in a real estate firm must be a Designated REALTOR® member of the Board in order for licensees affiliated with the firm to select the Board as their "primary" Board.
 - e. 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 Board 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.
 - f. In the case of a real estate firm, partnership, or corporation, whose business activity is substantially 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 Board 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. (Amended 1/01)
2. 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 members.

3. Affiliate Members. Affiliate members shall be real estate owners and other individual or firms who, while not engaged in the real estate profession as defined in paragraphs a, b, and c of this section, have interests requiring information about real estate, and are in sympathy with the objectives of the Board. Affiliate Membership. 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 Board, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.
4. 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.
5. 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 Board, or for the public. Honorary REALTOR® members shall also be individuals holding a broker's license in the state of New Jersey who have held REALTOR® membership for not less than twenty-five (25) years and who have attained the age of seventy five (75) years prior to January of the calendar year during which Honorary REALTOR® membership is conferred.
6. 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.
7. REALTOR® Emeritus. Any person who has held membership in the National Association as a REALTOR®, REALTOR-ASSOCIATE®, or a combination of both, for a cumulative period of 40 years in one or more Associations of REALTORS®, is eligible for REALTOR® Emeritus status. Upon approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®, no further payment of dues is necessary to the National Association by the Member Association of which the REALTOR® Emeritus is a member.

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 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 Board, State and National Associations, and if elected a Member, will abide by the Constitutions, Bylaws, and Rules and Regulations of the Board, 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 Board, through its membership committee or otherwise, may invite and receive information and comment about applicant from any member or other persons, and that applicant agrees that any information and comment furnished to the Board 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.

- a. 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 Board through its membership committee 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 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 Board, the Bylaws of the New Jersey Association of REALTORS®, and the Constitution, Bylaws and Code of Ethics of the National Association of REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations and Code of Ethics.
- b. No Recent or Pending Bankruptcy is intended to mean the applicant or real estate firm in which the applicant is a proprietor, general partner, or corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Board establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Board and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member indicates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

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

- c. 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 Board or a Designated Realtor member of another Board (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, 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 thereon as may be required by the Membership Committee 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.
- d. An applicant for REALTOR® membership shall supply evidence to the Board through its Membership committee or otherwise that he is actively engaged in the real estate profession and is employed by a REALTOR® or affiliated with a REALTOR® as an independent contractor, 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, shall complete a course of instruction, and shall agree in writing that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations and Code of Ethics.
- e. The Board will also consider the following in determining an applicant's qualifications for REALTOR® membership:

1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years;
2. Pending ethics complaints (or hearings);
3. Unsatisfied discipline pending;
4. Pending arbitration requests (or hearings);
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.
6. Any misuse of the term REALTOR® or REALTORS® 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.

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.

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.

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 Board dues and 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 by the Board's 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 Board's receipt of 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 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 pro-rated amount to cover the number of days that the individual received association services and any application fee.
- (c) The Board of Directors may not terminate any provisional membership without providing the provisional member with 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, or duly authorized designee. If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

Section 4. Status Changes.

- a. A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Board 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 they have transferred within thirty (30) days of the date they advised the Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors. Failure to satisfy requirement within 90 days of the date that provisional membership was granted will result in denial of the membership application or termination of provisional membership. Written notification will be sent to the Designated REALTOR® and the provisional member of failure to satisfy new member requirements. Notification will be then given to the Board of Directors who will suspend provisional member until requirement is completed.

(The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Board'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.
- d. *When a new member REALTOR® is elected to membership they shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, the Bylaws of the State Association and the Constitution and the Bylaws and the Code of Ethics of the National Association of REALTORS® as specified in Article 5, Section 2(b) within 90 days of election.

Section 5. New Member Board and Code of Ethics Orientation

- a. Applicants for REALTOR® membership and provisional REALTOR® members, (where applicable) shall complete an orientation program and a Code of Ethics program of not less than two hours and thirty minutes. 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.

Failure to satisfy this requirement within the next scheduled three board orientations (or, alternatively, the date that provisional membership was granted), will result in suspension of provisional status. Reinstatement fees will apply. Suspended, provisional members who fail to complete this obligation will be terminated at year-end if compliance is not met as stated above.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the National Association of REALTORS®. (Adopted 1/01)

Section 6. Continuing Member Code of Ethics Training

- a. Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association 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 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 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 completed additional ethics training until a new four year cycle commences.

- b. Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed. (Adopted 1/01).
- c. Members suspended for failing to meet the requirement for the first four (4) year cycle (2001 – 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership.
- d. Failure to meet the requirement for the second (2005 – 2008) cycle and subsequent four (4) year cycles will result in suspension of membership for the first two months (January and February) of the year, following the end of any four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the suspended member will be automatically terminated. (Adopted 1/01, revised 5/05)
- e. New REALTOR® Members shall be required to complete in person both the New Member orientation and Ethics Training class held at the Board office within the first three scheduled orientations upon receipt of their application. Failure to complete said training will result in suspension. Reinstatement fees will apply. Suspended, provisional members who fail to complete this obligation will be terminated at year-end if compliance is not met as stated above.

Section 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 Board may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Board Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Board. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Board, 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 Board, the State Association, and the National Association of REALTORS®.

Section 3.

Any REALTOR® member of the Board 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 Board, provided that 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 of REALTORS®.

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 Board for dues, fees, fines or other assessments of the Board or any of its services, departments, divisions, or subsidiaries, the

Board 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 Board or otherwise causes membership to terminate with an ethics complaint pending, that 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 Board are paid in full shall be entitled to vote and to hold elective office in the Board; 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 Board 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® 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 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 Board by the Member who is being suspended or expelled and by the individual 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 Board. 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 connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the Board, whichever may apply.

If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.

- (b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6 (a) and 7 (d) 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 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 Membership shall confer only 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. REALTOR® Emeritus.

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

Section 13. Certification by REALTOR®.

Designated REALTOR® Members of the Board shall certify to the Board during the month of November, on a form provided by the Board, a complete listing of all individuals licensed or certified with the REALTOR'S® office(s) and shall designate a primary Board for each individual who holds licenses in the REALTOR'S® office (s) and if Designated REALTOR® dues have been paid to another Board based on said non-member licensees, the Designated REALTOR® shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2 (a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Board of any additional individual(s) licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of the individual.

Section 14. Harassment.

Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee after a hearing in accordance with the established procedures of the Association. Disciplinary action may also consist of any sanction authorized in the association's Code of Ethics and Arbitration Manual. 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, and President-Elect and/or 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. If the complaint names the President, President-Elect or Vice President, 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.

Section 15. Continuing Education.

Continuing Education shall be conducted as outlined in the Board's Table of Operations & Efficiency (TO&E), under the auspices of the Professional Development Committee, in such manner and form as indicated therein and as provided by state law.

Article VII- Professional Standards and Arbitration.

Section 1.

The responsibility of the Board and of Board 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 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 Board to abide by the Constitution and Bylaws and the Rules and Regulations of the Board, 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 Board as from time to time amended.

Section 3.

The responsibility of the Board and of Board 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 Board, 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 Board 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 Board 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 of the Board or Institute Affiliate Members as described in Section 1 (c) 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 operated 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. (Amended 1/01).

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.

By reason of the Board's Membership, each REALTOR® Member of the Member Board 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 Association of REALTORS® to membership in the State Association.

Section 2.

The Board recognizes the exclusive property rights of the National Association of REALTORS® in the terms REALTOR® and REALTORS®. The Board 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 Board adopts the Code of Ethics of the National Association of REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Board 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 a reasonable amount, not exceeding three 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 Board upon final approval of the application.

Section 2. Dues.

The annual dues of REALTOR® Members shall be in such amount as established by the Board of Directors. *In making dues payments REALTOR® and Members acknowledge the REALTOR® membership duties which were agreed when membership was accepted, including the duty to arbitrate disputes as provided in the Code of Ethics of the National Association of REALTORS® and in the governing documents of the Passaic County Board of REALTORS®.

The annual dues of Members shall be as follows:

(a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be as established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Board in the state or a state contiguous thereto or Institute Affiliate Members of the Board. In calculating the dues payable to the Board by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board 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 board. * (Amended 1/01)

(b) 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 I, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be

licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and 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, 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®.

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

(c) The annual dues of REALTOR® Members other than the Designated REALTOR® shall be established by the Board of Directors.

(d) 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 (\$75.00). The National Association shall credit \$25.00 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 \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other Board. The National Association shall also credit \$25.00 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.

(e) Affiliate Members. The annual dues for each Affiliate Member shall be as established by the Board of Directors.

(f) Public Service Members. The annual dues of each Public Service Member shall be as established by the Board of Directors.

(g) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors as established by the Board of Directors.

(h) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors as established by the Board of Directors.

(i) REALTOR® Emeritus. Dues payable, if any, shall be at the discretion of the Board of Directors as established by the Board of Directors.

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.

In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Board 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 (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 will be imposed and 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 their dues and late fees are not paid.

However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for 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 Board 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.

All monies received by the Board for any purpose shall be deposited to the credit of the Board in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures.

- (a) The President shall appoint a Budget Committee to prepare a budget for the coming fiscal year. This budget shall be presented to the Board of Directors for approval by a majority vote. The approved budget shall then be delivered to each REALTOR® member no less than five (5) days prior to a general membership meeting which shall be held each September for adoption by a majority vote of the REALTOR® membership in attendance by voice vote.
- (b) The Board of Directors shall administer the day to day finances of the Board. The Executive Officer may issue checks countersigned by the President or treasurer on funds of the Board. The total expenditures during a calendar year shall not exceed the collected unbudgeted income. Payments which result in an actual operating deficit of more than one thousand dollars (\$1,000.00) in the calendar year shall require a majority vote of the Board of Directors. Any expenditure of more than ten thousand dollars (\$10,000.00) excluding emergency board building repair, over actual income shall require a majority vote of the membership present at a meeting of the membership. The designation of Budget items on a line basis shall be for informational purposes only and the officers shall not be limited thereto, except to the extent that the total expenditures shall not exceed the total expenditures as set forth herein. *If the Board and/or MLS maintains excess funds on account, those funds, up to fifty percent (50%) of total combined amounts may be utilized by the Board of Directors as determined by a two-thirds (2/3) majority vote of the Board of Directors. Any amount more than that must be approved by a majority vote of the membership.

Section 7.

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

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

Section 8.

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.

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

Article XI – Officers, Directors and Executive Officer.

Section 1. Officers.

The elected officers of the Board shall be: a President, a President-Elect, a 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. It shall be the particular duty of the Executive Officer to keep the records of the Board and to carry on all necessary correspondence with the National Association of REALTORS® and the New Jersey Association of REALTORS®.

Section 3. Board of Directors.

The governing body of the Board shall be a Board of Directors. The Board of Directors shall consist of the elected Officers, the three (3) immediate past presidents, unless that option does not exist then any active past president may fill the position, seven (7) Directors, not less than one Alternate Director. All of the members of the Board of Directors must hold REALTOR® membership in this Board.

- (a) Each of the Directors shall be elected for and serve a term of three (3) years with two (2) Directors to be elected for each year for such term. 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.

- (a) Within six months before the annual election in September, a Nominating Committee of five (5) REALTOR® Members shall be appointed with the approval of the Board of Directors. Two of whom shall be appointed by the Board of Directors, two by the immediate Past President and one from the Current President. The current President will also choose an alternate. If there are vacancies on the Nominating Committee they should be filled by the President of the Board. The Nominating Committee shall select one candidate for each office and one candidate for each place to be filled on the Board of Directors. At its initial meeting, the Nominating Committee shall establish its own policies and procedures for the conduct of its meetings and deliberations. It shall be expected that names of individuals who have demonstrated their ability to meet the criteria of the job descriptions as established in the Table of Operations and Efficiency (TO&E) will be submitted for ratification. A minimum of two years PCBOR® committee service shall be a criteria for selection of a candidate unless otherwise determined time to time by the Board of Directors. The nominating committee may conduct interviews by phone or in person or require references as they deem appropriate. The slate shall be ~~ratified~~ reviewed and voted on at the next Board of Directors meeting. The report of the Nominating Committee shall be mailed to each Member eligible to vote at least three (3) weeks preceding the election, or where permitted by state law, electronically transmitted.

Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 15% of the REALTOR® Members eligible to vote. The petition shall be filed with the Executive Officer at least two (2) weeks before the election. The Executive Officer shall send notice of such additional nominations to all Members eligible to vote before the election.

- (b) If any member of the nominating committee is nominated for office, that person shall resign from the nominating committee and be replaced.
- (c) The election of Officers and Directors shall take place at the annual meeting in September. Election shall be by ballot and all votes shall be cast in person. The ballot shall contain the names of all candidates and the offices for which they are nominated.
- (d) The President 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.

Section 5. Executive Officer.

- (a) The Board shall maintain a salaried Executive Officer who shall attend all meetings of the Board and the Board of Directors and under the supervision of the President, shall record or cause to be recorded, the minutes of said meetings. He/She shall cause notice to be given of the Annual Meeting of the Board, any special meetings of the Board, the regular and special meetings of the Board of Directors. He/She shall have custody of the corporate seal of the Board, be responsible for the general operation of the Board office and general charge of records, documents and papers of the Board not pertaining to the performance of duties vested in other Officers or the Board of Directors. He/She shall, with the advice and consent of the Board of Directors, in conjunction with the personnel manual, have the power to employ other personnel and shall have such other powers and duties or as may be prescribed by the Board of Directors.
- (b) The annual salary of the Executive Officer shall be in such amount as established from time to time by the Board of Directors.

Section 6. 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 7. Removal of Officers and Directors.

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

- (a) 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 Board 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 voting Members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Board 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. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

Article XII – Meetings.

Section 1. Annual Meetings.

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

- (a) General Membership Meetings including the annual meeting shall be held at least ~~once per quarter~~ **three times during a calendar year, this includes the annual meeting in September.**

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. Special meetings may be called by the President or by the 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 meetings or a combination thereof without excuse deemed valid by the Board of Directors shall be construed as resignation therefrom.

- (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 eighty (80) 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 eighty (80) percent of the members of the Board of Directors shall state their approval thereof. Immediately following the approval of the resolution by telephone, fax or email poll, the Executive Officer shall forward an exact written copy of the resolution to each member of the Board of Directors with a listing of the names of all Members of the Board of Directors who voted in favor thereof. E-Mail and/or facsimile shall be acceptable.

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 one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum.

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.

Section 6. Electronic Transaction of Business.

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

Section 7. Action without Meeting.

Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all 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 Chief Staff Executive 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®, subject to confirmation by the Board of Directors, the following standing committees and committee members:

1. Budget & Finance
2. Grievance
3. Multiple Listing Advisory Committee to Garden State Multiple Listing Service
4. Nominating Committee
5. Professional Standards
6. Professional Development
7. RPAC Fundraising

Appointments to the Professional Standards Committee and Grievance Committee shall be consistent with the Cooperative Professional Standards enforcement agreement of the Association.

Section 2. Special Committees.

The President shall appoint, subject to 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.

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 Operations and Efficiency (TO&E) 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-standing committees and special committees and shall be notified of their meetings.

Section 5. Attendance.

Any committee member who fails to attend three (3) regular or special meetings or a combination thereof, of any committee meetings 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.

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 1 said special committees shall be for not more than one year and terminate on December 31 of the year of appointment.

Section 7. 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 8. Attendance by Telephone.

Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment 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 Executive Officer at the President's discretion, minutes of said meeting and an attendance record.

Article XIV – Fiscal and Elective Year.

Section 1.

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

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 Board, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

Article XVI – Indemnification.

Section 1.

The Board shall indemnify for the Members of its Board of Directors, Executive Officer and members of its committees against their expenses and liabilities in connection with any proceeding involving such individual in his or her capacity as a member of the Board of Directors, Committee Member or Executive Officer if such individual acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Board, or with respect to any criminal proceeding, if he or she has no reasonable cause to believe the conduct was unlawful.

Section 2.

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, judgements, fines and penalties and "proceedings" shall mean any pending, threatened or completed civil, criminal, administrative or arbitratve action, suit or proceeding, and any appeal therein or any inquiry or investigation which would lead to the action, suit or proceeding.

Section 3.

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 is present a quorum determined without including members thereof who were parties to or otherwise involved in the proceeding. 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 to the Board.

Section 4.

Expenses incurred by any individual entitled to indemnification pursuant to this Article may be paid by the Board in advance of the final disposition of the proceeding if so authorized in the manner set forth in Section 3 of this Article 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 5.

It is the intention of this Article to define and expand on the rights of the members of the Board of Directors, Committees and Executive Officer to obtain indemnification and nothing contained in this Article shall in any manner be deemed to limit the rights which any member of the Board 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.

When Bylaw 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 Board shall provide notice of that change in a regular or special membership communication or on the Board's website, www.pcbor.com.

Section 2.

Notice of all meetings at which amendments are to be considered or voted on shall be mailed out to every Member eligible to vote at least ten calendar days prior to the meeting.

Section 3.

Amendments to these Bylaws affecting the admission or qualification of REALTOR®, and Institute Affiliate Members, the use of the terms REALTOR® or REALTORS®, or any alteration in the territorial jurisdiction of the Board 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 Board, 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 XIX – Multiple Listing.

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 Board 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. Appointment of Garden State Multiple Listing Advisory, Committee Members.

The President shall appoint, subject to the confirmation of the Board of Directors, a Multiple Listing Advisory Committee of two (2) Members. The Committee Members so named shall serve at least a one-year term, however, terms may be staggered at the discretion of the President. The Committee shall select its Chairperson from among the members thereof. (The Chairperson may be designated by the President.) One member of the Advisory Panel must be a member of the Passaic County Board of Directors.

Section 3. Vacancies.

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

Section 4. Attendance.

Any Committee Member who fails to attend three (3) regular or special meetings or combination thereof of meetings or the committee, without excuse acceptable to the Chairperson of the Committee, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for 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 Board 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 report to the Board of Directors and/or provide updates to a review task force as appointed annually 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