



MONMOUTH OCEAN REGIONAL REALTORS®



**One Hovchild Plaza
4000 Route 66, 2nd Floor
Tinton Falls, NJ 07753**

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MONMOUTH OCEAN REGIONAL REALTORS®

BY LAWS

ARTICLE I – NAME

Section 1. Name. The name of this organization shall be the Monmouth Ocean Regional REALTORS® Inc., hereafter referred to as the "Association" whose current official place of business is One Hovchild Plaza, 4000 Route 66, Tinton Falls, NJ 07753.

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.

Section 3. Jurisdiction - *The territorial jurisdiction of the Association as a Member of the National Association of REALTORS® is:* All of Monmouth County, New Jersey.

Section 4. Territorial jurisdiction is defined to mean: The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

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 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, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III – MEMBERSHIP

There shall be four (4) classes of Members as follows:

Section 1. REALTOR® Members: REALTOR® Members, whether Primary or Secondary, shall be:

- a. 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 of New Jersey, 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 of New Jersey, or a state contiguous thereto, unless otherwise qualified for Institute Affiliate Membership, as described in Section 2 of Article III.

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 2 of Article III.

Individuals who are engaged in the real estate profession other than as sole proprietors, principals, partners, corporate officers, trust officers, trustees, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article IV.

- b. 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 NATIONAL ASSOCIATION OF REALTORS® 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 Association, State association and National Association.
- c. Primary and Secondary REALTOR® Members. An individual is a primary REALTOR® Member if the Association pays State and National dues based on such Member. An individual is a Secondary REALTOR® 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 Association in order for licensees affiliated with the firm to select the Association as their "primary" Board.
- d. 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 IX 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 IV, Section 2, of these Bylaws.

Section 2. 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.

Section 3. Affiliate Members. Affiliate Members shall be real estate owners and/or other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs 1.a. or 1.b.above, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

Section 4. REALTOR® Emeritus. A REALTOR® Member who has held membership in the NATIONAL ASSOCIATION OF REALTORS® as a REALTOR® for a cumulative period of forty (40) years, upon certification by the Board of Directors.

ARTICLE IV – QUALIFICATION AND ELECTION

Section 1. Application

An application for Membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant that applicant agrees as a condition to Membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitution and Bylaws, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitution and Bylaws, Bylaws and Rules and Regulations of the Association, State and National Associations, and 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 have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics.

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 the applicant 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 of New Jersey 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®, as per the signed application. The applicant shall agree to abide by such Constitution and Bylaws, Bylaws, Rules and Regulations, and Code of Ethics. NOTE: Article IV, Section 2 of the NATIONAL ASSOCIATION OF REALTORS® Bylaws prohibits Member Boards from knowingly granting REALTOR® Membership to any applicant who has an unfulfilled sanction pending which was imposed by another board or association of REALTORS® for violation of the Code of Ethics.

Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, 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 board (if a Secondary Member), 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® as per signed application.

- (b) The Association will also consider the following in determining an applicant's qualifications for REALTOR® Membership:
1. All final findings of Code of Ethics violations and violations of other Membership duties in any other 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.
- (c) "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 IV, Section 2(a) provided all other qualifications for Membership have been satisfied. Associations may reconsider the Membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional Membership is approved. Provisional Members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® Membership. If a Member resigns from another association with an ethics complaint or arbitration request pending, the Association may condition Membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. Procedure for Membership shall be as follows:

In the event the staff determines that an application fails to satisfy the qualifications of Membership, such application will be forwarded to the Board of Directors of the Monmouth Ocean Regional REALTORS® to make the final decision of any potential denial of REALTOR® Membership.

Section 4. New Member Code of Ethics Orientation

Applicants for REALTOR® Membership and provisional REALTOR® Members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® Membership or provisional Members who have completed comparable orientation in another association, provided that REALTOR® Membership has been continuous, or that any break in Membership is for one year or less. Failure to satisfy this requirement within 60 days of the date of application (or, alternatively, the date that

provisional Membership was granted) will result in denial of the Membership application or termination of provisional Membership.

Section 5. Continuing Member Code of Ethics Training

Effective January 1, 2019, through December 31, 2021 and for successive three-year periods thereafter, each REALTOR® Member of the Association (with the exception of REALTOR® Members granted REALTOR® Emeritus status by the NATIONAL ASSOCIATION OF REALTORS®) 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 REALTOR® association, the State Association of REALTORS®, or the NATIONAL ASSOCIATION OF REALTORS®, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® Members who have completed training as a requirement of Membership in another association and REALTOR® Members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-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 in any three-year cycle will result in suspension of Membership for the first two months (January and February) of the year following the end of any three-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the Membership of a Member who is still suspended as of that date will be automatically terminated.

ARTICLE V – PRIVILEGES AND OBLIGATIONS

Section 1. The privileges and obligations of REALTOR® Members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article.

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual. 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 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 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 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 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 moneys 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®.

- (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® Member Privileges

- (a) Primary and Secondary REALTOR® Members in good standing shall be entitled to vote and to hold elective office in the Association.
- (b) Voting privileges of REALTOR® Members shall be limited to:
 - i. Election of Directors.
 - ii. Approval or disapproval of capital expenditures in excess of \$250,000.
 - iii. Approval or disapproval of proposed amendments to the Bylaws of the Association.
 - iv. Removal of Directors by special petition.
 - v. Withdrawal of Membership in the State Association or NATIONAL ASSOCIATION OF REALTORS®.
 - vi. Dissolution of the Association due to financial insolvency.
 - vii. Other matters submitted for Membership consideration by the President of the Association.
- (c) REALTOR® Members may use the terms REALTOR®, or REALTORS®, which use shall be subject to the provisions of Article VII.
- (d) REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests and welfare of the Association and the real estate profession.
- (e) If a REALTOR® Member is a principal in a firm, partnership, or 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 the 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 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.

- (f) In action taken against a REALTOR® Member for suspension or expulsion under Section 6(e) 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 V, Section 6(e) 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: associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, or use the REALTOR® logo; to serve as a Director of the Association; or to be a Participant in the 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. REALTOR® Emeritus. REALTOR® Emeritus Membership shall only have the right to attend meetings and participate in discussion, except that if a REALTOR® Emeritus is still actively engaged in the real estate profession, he shall retain all of the privileges and obligations of his classification of Membership within the Association.

Section 10. Certification by REALTOR®. Designated REALTOR® Members of the Association shall certify to the Association during the month of January 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 Board for each individual who holds Membership. Designated REALTORS® shall also identify any non-Member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another Board based on said non-Member licensees, the Designated REALTOR® shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article IX, 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.

ARTICLE VI – PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of the Association and of the 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 safeguard and promote the standards, interests, and welfare of the Association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® Members also must abide by the Bylaws, Rules and Regulations, and policies of the Association, the State Association, and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, as well as 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 in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended.

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

ARTICLE VII – 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 provision 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 the Association 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 the Association, are REALTOR® Members or Institute Affiliate Members of the Association.

- 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. An Institute Affiliate Member shall not use the terms REALTOR® and REALTORS®, and shall not use the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE VIII – STATE AND NATIONAL MEMBERSHIPS

Section 1. The Association must be a member of the NATIONAL ASSOCIATION OF REALTORS® and the State Association. By reason of the Association's membership, each REALTOR® Member of the Association shall be entitled to Membership in the NATIONAL ASSOCIATION OF REALTORS® and the State Association without further payment of dues. The Association shall continue as a member of the State and National Associations, unless by a majority vote of all of its eligible 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 OF REALTORS® or upon a determination by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS® that it has violated the conditions imposed upon the terms.

Section 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Constitution and Bylaws, Bylaws, Rules and Regulations, and policies of the NATIONAL ASSOCIATION OF REALTORS® and the State Association.

ARTICLE IX – FEES, 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 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. The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® members of any board in the State of New Jersey 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 Section 2(a)(1) and 2(a)(2) of this Article 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 of New Jersey or a state contiguous thereto, provided the Designated REALTOR® notifies the Association 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 Section 2(a)(1) and 2(a)(2) of this Article) in the office where the Designated REALTOR® holds Membership, and any other offices of the firm located within the jurisdiction of the 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 of New Jersey and who, as a principal, partner, or corporate officer 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 and Bylaws 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)(2) hereof) provided that such licensee, is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity.
- (2) 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®. Designated REALTORS® shall notify the Association within three (3) days of any change in status of licensees in a referral firm.
- (3) The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the Association who during the same

calendar year applies for REALTOR® Membership in the Association. However, Membership dues shall not be prorated if the licensee held REALTOR® Membership during the preceding calendar year.

- (b) The annual dues of each REALTOR® Member other than principal, partner or corporate officer shall be in such amount 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 (\$75.00). 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 OF REALTORS® 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.
- (d) Affiliate Members. The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.
- (e) REALTOR® Emeritus. Dues are waived.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance of the first day of January. Dues shall become payable on the first day of the month in which a Member shall be notified of election and shall be prorated for the year. The Association will pay the dues to the NATIONAL ASSOCIATION OF REALTORS® and to the State Association. These dues are also due and payable annually in advance of the first day of January. If a REALTOR® Member should succumb during the first six months, the Association will refund the prorated amount upon written request on behalf of his estate or beneficiaries; otherwise, dues are not refundable. In calculating the dues payable to the State Association and/or the NATIONAL ASSOCIATION OF REALTORS® by a member board, no Member belonging to another member board shall be considered, provided such Member has notified the State

Association, and each local board to which he belongs of the identity of the member board where he holds Primary Membership.

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 is subject to suspension at the discretion of the Board of Directors. Three (3) months after the due date, Membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. 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 Association or any of its services, departments, divisions, or subsidiaries, may apply for reinstatement in a manner prescribed for new applicants for Membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposit. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures. The Board of Directors shall administer the day-to-day finances of the Association. Capital expenditures in excess of \$250,000 may not be made unless authorized at a general Membership meeting, at which there is a quorum, by a majority vote of the Association Members present in person, by proxy or by electronic ballot who are eligible to vote.

Section 7. Notice of Dues, Fees, Fines, Assessment, and other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or the Association's Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 8. The dues of REALTOR® Members who are Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

ARTICLE X – OFFICERS AND DIRECTORS

Section 1. Officers. The elected Officers of the Association shall be: a President, a Senior Vice President, a 1st Vice President, and a

Treasurer/Secretary. They shall be elected for a term of one year which period shall be from January 1 to December 31, not to exceed two consecutive terms for that elected position. Eligibility requires the Member:

- (a) to have served on the Board of Directors for at least one (1) year - AND -
- (b) to hold an active NJ Real Estate Broker's License in good standing - AND -
- (c) to either have been a Primary REALTOR® Member of the Association in good standing for not less than five (5) years - OR - have received approval by a super majority vote of the Board of Directors.

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:

- (a) The President shall be the principal officer of the Monmouth Ocean Regional REALTORS® and shall preside at its meetings, and between the sessions of which the President shall represent the Association and act in its name, subject only to its declared policies. The President shall appoint all Committee Chairs & Vice-Chairs, including the assignment of Liaison Officers to each Committee of the Association; 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 meet the qualifications of at least having served as (1) a Director; (2) Committee Chair; and (3) one year as a Member of either the Multiple Listing Service Committee or the Budget and Finance Committee. The President is a Member of the State Association's Board of Directors, and as such, has the power to vote in all Directors' meetings of that Board. The President shall also appoint any additional Directors to the State Association's Board of Directors, based on our Membership count. The newly elected, incoming President, shall select the NATIONAL ASSOCIATION OF REALTORS® Directors for the upcoming year.
- (b) The Senior Vice President shall have the same qualifications as the President and shall perform the duties of the President in the event of the President's temporary absence or disability and shall perform such other duties as may be delegated to the Senior Vice President by the Board of Directors or the President. The Senior Vice President shall be one of the Members of the New Jersey State Association's Board of Directors and shall attend all State Association functions as a representative of the Association.
- (c) The First (1st) Vice President may have overall supervision of the work of the various Committees of the Association and act as representative of the

President in such matters as may be assigned to the First Vice President by the President.

- (d) The Treasurer/Secretary shall be the custodian of all funds and securities of the Association and shall deposit the funds and securities in depositories carrying Federal Deposit Insurance, subject to the approval of the Board of Directors. The Treasurer/Secretary shall also make a record of all meetings of the Board of Directors, Executive/Personnel Committee and of the Annual Meeting and shall keep all the said records at the Association office, and shall perform such duties customary to the office of Treasurer/Secretary.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the following twenty-three (23) Members:

- A. President
- B. Senior Vice President
- C. First Vice President
- D. Treasurer/Secretary
- E. Governor - the most recent Past President who is willing and able to serve.
- F. Two (2) Past Presidents - the next most recent Past Presidents who are willing and able to serve.
- G. Fifteen (15) REALTOR® Members each elected to serve a three (3) year term, not to exceed two (2) consecutive terms.
- H. One (1) REALTOR® Member who does not hold a NJ Real Estate Broker's License, appointed by the President for a one (1) year term, not to exceed two (2) consecutive terms.

Section 3.1 Eligibility requires that Directors be a Primary or Secondary REALTOR® Member of the Association in good standing who:

- (a) holds an active NJ Real Estate Broker's License in good standing (except for the Director appointed by the President in Section 3.H.) - AND -
- (b) either has served three (3) years or more on a Committee of the Association -OR- has received approval by a super majority vote of the sitting Board of Directors.

Section 3.2 Vacancies. In the event that any position is vacant on the Board of Directors, the President shall appoint a REALTOR® Member meeting the qualifications and able to perform the duties of the vacant position. Such appointment's term will end on December 31st of that calendar year. Such appointments shall not count against any future term limit eligibility for the appointee's future Membership on the Board of Directors.

Section 3.3 Collectively, the elected and appointed Members of the Board of Directors shall be known as Directors and have all rights, privileges and protections therein prescribed.

Section 4. Election of Officers and Directors

- (a) At least four months before the annual election, a Nominating Committee shall be appointed by the President with the approval of the Board of Directors, and shall consist of six (6) regular voting Members and two (2) Alternate Members as follows:
- i) a Chairperson, who shall be a Past President and/or Member of the Board of Directors;
 - ii) three (3) Members of the Board of Directors;
 - iii) one (1) Past President;
 - iv) one (1) Member at large, not on the Board of Directors, that holds an active NJ Real Estate Broker's License and is an active, full-time REALTOR® Member of the Association for at least the past three (3) years; and
 - v) two (2) Alternate Committee Members - one from the Board of Directors and one Member at large that holds an active NJ Real Estate Broker's License and is an active, full-time REALTOR® Member of the Association for the past three (3) years. Alternate Nominating Committee Members will attend all meetings and will only vote in the absence of a regular Member.

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

The report of the Nominating Committee shall be emailed to each REALTOR® Member eligible to vote at least eleven (11) weeks prior to the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least fifty (50) Designated REALTOR® Members as recorded by the NATIONAL ASSOCIATION OF REALTORS® and who are eligible to vote. The petition shall be filed with the Treasurer/Secretary of the Board of Directors, at the official place of business of the Association at least three (3) weeks before the election. The Treasurer/Secretary shall, within twenty-four (24) hours, deliver to the Chief Executive Officer the original petitions as filed with the Treasurer/Secretary of the Board of Directors, for immediate transmittal to all REALTOR® Members eligible to vote.

The election of Officers and Directors shall take place at the Annual Meeting. Election shall be in person, and/or by electronic, oral and/or written ballot vote, and all votes shall be cast by eligible REALTOR®

Members or their proxy. The ballot shall contain the names of all candidates and the offices for which they are nominated. In the case where there is only the one candidate running for a Director position, the Treasurer/Secretary shall record a single vote on behalf of all of the eligible REALTOR® Members marked PRESENT at the Annual Meeting in person, by proxy, and/or by electronic ballot.

Electronic Voting at Meetings. Eligible Members may vote electronically at the Annual Meeting, General Meeting or Board of Directors Meeting where the meeting itself is conducted fully or partially by electronic means. Electronic voting shall be permitted in real time at such meetings. In the case where there is a ballot prepared for use by the Members present at the meeting, an electronic internet voting service designated by the Board of Directors shall be used. If no ballot is used, the meeting Chairperson, or their designee, shall conduct a roll call vote of each eligible Member present, and shall tabulate the results and announce same at that meeting. Eligible Members must be marked as PRESENT in the meeting and have both voice and live video turned "ON", so that they are visible to the Chairperson. Members who are not marked PRESENT, or who are not participating with live audio and video, may not vote on any matter by electronic means.

- (b) Election Committee. The President shall nominate, and the Board of Directors shall approve an Election Committee of three (3) REALTOR® Members to conduct elections and administer voting. In the case of a tie vote among the Directors, the first immediate Past President shall break the tie. If the first Immediate Past President is a nominee, then the second Immediate Past President shall break the tie.

Section 5. Accounts: The accounts of the Monmouth Ocean Regional REALTORS® shall be audited annually by a Certified Public Accountant selected by the Board of Directors. Said audit to be submitted to the President, Treasurer/Secretary and Chairperson of the Budget and Finance Committee for review prior to submittal to the Board of Directors. File copy shall remain at the Association Office under the supervision of the Chief Executive Officer for permanent file.

Section 6. Governor: The Immediate Past President shall become the Governor and shall be a Member of the Board of Directors.

Section 7. Chief Executive Officer: There shall be an Administrative Officer of the Association who shall be employed by and shall serve at the pleasure of the Board of Directors, and who shall perform such duties as directed by the Board of Directors. The Administrative Officer shall be titled Chief Executive Officer of

the Association, and shall have administrative responsibility of the staff, including hiring and dismissal, subject to the approval of the Executive/Personnel Committee. The Chief Executive Officer shall have administrative responsibility of maintaining the permanent records of the Association and responsibility for overall administrative procedures and policies for all Association activities.

Section 8. Removal of Directors: In the event that a Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign voluntarily, the Director may be removed under the following procedure:

- (a) A petition requiring the removal of a Director, signed by not less than one-third of the eligible voting Membership of the Association or signed by 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 such petition shall specifically set forth the reasons the Director is deemed to be disqualified from further service.
- (b) Upon receipt of the petition, and not less than twenty (20) days nor more than forty-five (45) days thereafter, a special meeting of the eligible voting Membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Director, and to render a decision on such petition.
- (c) The special meeting shall be noticed to all eligible voting Members 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. Provided a quorum is present, a three-fourths vote of eligible Members present in person, electronically or by proxy, shall be required for removal.

ARTICLE XI – MEETINGS

Section 1. Annual Meeting. The annual meeting of the Monmouth Ocean Regional REALTORS® Members, shall be held during September of each year; the date, place, manner and hour shall 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. If any Member of the Board of Directors is absent from three (3) regular Board of Directors meetings per calendar year, it shall constitute an automatic resignation of that Director.

Section 3. Other Meetings. Meetings of the Membership may be held at such times as the President and/or the Board of Directors may determine, or upon written request of at least fifty (50) eligible Designated REALTOR® Members as recorded by the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Notice of Meetings. Written notice &/or electronic mail shall be given to every REALTOR® Member entitled to participate and vote, at least one week prior to all meetings. If a special meeting is called it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum.

The following formulas are required to call a meeting to order and conduct the business of the Association:

- a. Annual Meeting: Those eligible REALTOR® Members who are present in person, virtually through an electronic voting system (if utilized), or by proxy shall be considered the quorum.
- b. General Meeting of the Membership: Those eligible REALTOR® Members who are present in person, virtually through an electronic voting system (if utilized), or by proxy shall be considered the quorum.
- c. Meeting of Directors: The majority of the Members of the Board of Directors shall be considered the quorum.
- d. Standing Committee: The majority of the Members of the Standing Committee shall be considered the quorum.
- e. Other Committee, Task Force or Work Group: Those Members present shall be considered the quorum.

Section 6. Proxy Voting. For the purposes of these adopted bylaws, a Proxy is defined as another eligible REALTOR® Member in good standing.

6.1 Any eligible REALTOR® Member who is not able to attend any Annual Meeting or General Meeting of the Membership may designate a Proxy to participate, act, and vote on his or her behalf at that meeting. Eligible REALTOR® Members shall designate a Proxy by writing to the meeting Chairperson not less than 48 hours in advance of the date and time of the meeting. Such Proxy may, if directed by the eligible REALTOR® Member, conduct all business that would otherwise be conducted by that eligible REALTOR® Member had he/she been present.

Section 7. Proposals at a Meeting of the Membership. No vote on any question shall be taken at any Meeting of the Membership unless the question appears on the ballot. Any such questions for vote shall be placed on the ballot

by resolution of the Board of Directors. This Section 7 does not apply to Section 4 of Article X "Election of Officers and Directors."

ARTICLE XII – COMMITTEES

Section 1. Executive/Personnel Committee. Executive/Personnel Committee shall consist of eight (8) Members: The President as Chairperson and all Officers of the Association, the Governor, the MLS Chairperson, and two (2) immediate Past Presidents. The President may invite special advisory Members to attend any meeting of the Executive/Personnel Committee, as deemed necessary by the President from time to time. Such advisory Members may participate in discussions but may not vote.

Section 2. Other Standing Committees of the Association. The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, the following Standing Committee Chairs and Vice Chairs: Associates, Budget and Finance; Bylaws; Circle of Excellence Verification Committee; Commercial, Industrial, Investment (CII); Cultural Diversity/Equal Opportunity Housing; Education; Grievance; Legislative/Political Affairs; Managers Committee; Mediation Committee; Multiple Listing Service; Nominating; Professional Standards; Public Relations; RPAC; and Young Professionals Network (YPN). The President shall appoint from among Affiliate Members of the Association, subject to confirmation by the Board of Directors, a Chair and Vice Chair of the Affiliates Standing Committee. All Chairs and Vice Chairs will then select the Members of their respective Committees.

Section 3. Mediation Committee. Membership requires certificate of completion by the State Association, the NATIONAL ASSOCIATION OF REALTORS® or a State Judiciary body prior to appointment.

Section 4. Special Committees. The President may appoint, subject to confirmation by the Board of Directors, such Special Committees, as the President may deem necessary, from time to time.

Section 5. Organization. All Committees shall be of such size and shall have such duties, function and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these Bylaws.

Section 6. A Committee Member's absence from three (3) regularly scheduled meetings of any Standing or Special Committee shall be considered as the Member's resignation from that Committee.

Section 7. The President shall be an ex-officio Member of all Committees, except the Nominating Committee, and shall be notified when they meet.

ARTICLE XIII – FISCAL AND ELECTIVE YEAR

Section 1. The fiscal and elective year of the Association shall be January 1 through December 31.

ARTICLE XIV – 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 XV – AMENDMENTS

Section 1. These Bylaws may be amended by majority vote of the REALTOR® Members present in person, electronically or by proxy and eligible to vote at any general Membership meeting at which a quorum is present, provided the substance of such proposed amendments shall be plainly stated in the call of the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NATIONAL ASSOCIATION OF REALTORS® policy.

Section 2. Notice by mail &/or electronic mail of all meetings at which such amendments are to be considered shall be given to every REALTOR® Member eligible to vote at least one week prior to the time of such meetings.

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR®, REALTORS®, 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 XVI – DISSOLUTION

Section 1. Upon the dissolution or winding up of the affairs of this Association, the Board of Directors after providing for the payment of all obligations, shall

distribute any remaining assets to the State Association or, within its discretion, to any other nonprofit tax-exempt organization.

ARTICLE XVII – MULTIPLE LISTING SERVICE

Section 1. Authority. The Association of REALTORS® shall maintain for the use of its Members a Multiple Listing Service (hereinafter referred to as “MLS”) which shall be subject to the Bylaws of the Association of REALTORS® and such Rules and Regulations as may be hereinafter adopted.

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 non-agency capacities defined by law); by which cooperation among Participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisal analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common data bases; 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. An MLS Participant is any REALTOR® of this or any other Board 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, and shall be eligible to participate in Multiple Listing Service 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 NJ Real Estate Broker’s License and offer or accept compensation to and from other Participants, or unless that individual or firm is 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 a Board 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 a Board Multiple Listing Service where access to such information is prohibited by law.

NOTE: Mere possession of a NJ Real Estate 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 on-going 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 on a nondiscriminatory manner to all Participants and potential Participants.

Section 4. Supervision. The activity shall be operated under the supervision of the Multiple Listing Service Committee, in accordance with the Rules and Regulations, subject to approval of the Board of Directors.

Section 5. Appointment of MLS Committee. The President shall appoint, subject to confirmation by the Board of Directors, an MLS Committee of twenty-one (21) REALTOR® Members as follows:

- i. Ten (10) MLS Participants.
- ii. Nine (9) REALTOR® Members who hold an active NJ Real Estate Broker's License.

- iii. One (1) Chairperson who shall be a broker/owner or broker/manager appointed for a one-year term, and shall be selected from those REALTOR® Members who are current or previous Directors or who are current or previous MLS Committee Members. The MLS Chairperson shall not serve more than two (2) consecutive one-year terms.
- iv. One (1) Vice Chairperson who shall hold an active NJ Real Estate Broker's License.
- v. MLS Committee Members shall serve for three-year terms.
- vi. No more than three (3) MLS Committee Members may hold their real estate license with the same Participant.

Section 6. Vacancies. Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7. Attendance. Any MLS Committee Member who fails to attend three (3) regular meetings of the MLS Committee shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointees.

Section 8. Access to Comparable and Statistical Information. Members who are actively engaged in real estate brokerage, management, appraising, land development or building, but who do not participate in 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 MLS including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provide in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations. Association Members who receive such information, either as an Association service or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

ARTICLE XVIII – CONFLICT OF INTEREST

Section 1. Purpose

A Director, Officer or Member (collectively, a "Member") of the Board of Directors or any Committee (collectively, a "Committee") of the Monmouth Ocean Regional REALTORS® ("MORR") who is an "Interested Person" shall recuse himself/herself from discussing or voting on any question or matter in

which he/she has a personal pecuniary interest that might be affected by the disposition of the question or matter.

Section 2. Definitions

For purposes of this Policy, the following shall apply:

- a) Any Director, Officer or Member of any Committee of MORR, who has a direct or indirect financial interest, as defined below, is an "Interested Person."
- b) A person has a financial interest if the person has, directly or indirectly, through business, investment or family ownership or investment, an interest in any entity (whether a corporation, partnership, limited liability company or other legal entity) or as an individual, that provides or seeks to provide goods, products or services to MORR or otherwise has or seeks to engage in a transaction or contractual arrangement with MORR (collectively a "Transaction").
- c) Nothing contained in this Policy shall preclude a Member from voluntarily recusing himself/herself from the discussion or vote on a Transaction where the Member believes that he/she has or may have a conflict of interest.

Section 3. Procedures

1. Duty to Disclose. A Member who is an Interested Person shall fully disclose his/her financial interest in any Transaction under consideration to the other Members of the Committee of which he/she is a Member.
2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the Committee meeting and the remaining Committee Members shall discuss and vote upon whether a conflict of interest exists.
3. Procedures for Addressing the Conflict of Interest.
 - a) An Interested Person may make a presentation at the Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of and the vote on the Transaction involving the conflict of interest.

- b) The Chairperson of the Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed Transaction.
- c) After exercising due diligence, the Committee shall determine whether MORR can obtain with reasonable efforts a more advantageous Transaction from a person or entity that would not give rise to a conflict of interest.
- d) If a more advantageous Transaction is not reasonably possible under circumstances not producing a conflict of interest, the Committee shall determine by a majority vote of the disinterested Members whether the Transaction is in the best interest of MORR, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the Transaction.

4. Violations of the Conflicts of Interest Policy.

- a) If a Committee has reasonable cause to believe a Member has failed to disclose actual or possible conflicts of interest, the Chairperson shall inform the Member of the basis for such belief and afford the Member an opportunity to explain the alleged failure to disclose.
- b) If, after hearing the Member's response and after making further investigation as warranted by the circumstances, the Committee determines the Member has failed to disclose an actual or possible conflict of interest, the Chairperson shall so advise the President of MORR who may bring the matter to the Board of Directors for appropriate disciplinary and/or corrective action.

Originally adopted by the Monmouth Ocean Regional REALTORS®, Inc. on November 19, 1936; latest revisions approved by the NATIONAL ASSOCIATION OF REALTORS® on January 2020.