

**AGREEMENT BETWEEN
MOUNTAIN LAKES BOARD OF REALTORS®
AND
FRANKLIN BOARD OF REALTORS®
TO ESTABLISH MULTI-BOARD (OR REGIONAL)
PROFESSIONAL
STANDARDS ENFORCEMENT PROCEDURES**

I. Authority

A. The authority for the establishment and utilization of multi-Board (or regional) professional standard enforcement procedures shall be established by this Agreement approved by the Board of Directors of The Mountain Lakes Board of REALTORS® and confirmed by approval of the general membership at a duly called meeting with notice as required by the Board's Bylaws.

II. Geographic Area

A. The geographic area served by this Agreement shall be the area of the combined territorial jurisdiction assigned by the NATIONAL ASSOCIATION OF REALTORS® to the Boards, which are signatories to this Agreement.

III. Purpose

A. The purpose of this Agreement is to create multi-Board (or regional) professional standards enforcement procedures providing for the appointment of Mediation Officers and the establishment of a joint Grievance Committee, Professional Standards Committee, and an Appeal Panel comprising members from each signatory Board for enforcement of the Code of Ethics, including the mediation of disputes and the conduct of arbitration hearings, involving members of the signatory Boards to ensure impartial and unbiased Hearing Panels for the conduct of hearings on a basis designed to provide this service and meet the responsibilities of the signatory Boards on an efficient and effective basis to better serve their members.

IV. Composition of Tribunals

A. This Agreement authorizes the establishment of a multi-Board (or regional) Grievance Committee. The Grievance Committee shall be composed of at least one (1) member in good standing of each signatory Board.

Members of the Grievance Committee from each signatory Board shall be appointed by the President of the respective Boards, subject to confirmation by the respective Boards of Directors, provided that the Presidents shall have the power to appoint, on a timely basis, and without necessity of confirmation by the Boards of Directors, a substitute member to the Committee for any member from their respective Boards who may be unable to serve for any

reason. The Grievance committee shall select its own Chairperson (or alternatively, the Grievance Committee Chairperson shall be selected from members of the Grievance Committee by a majority vote of the Presidents of the Boards, which are signatories to this Agreement).

NOTE: There must be at least three (3) individuals serving on the multi-Board Grievance committee, and it is desirable that the number be greater to provide an adequate number of members to handle the anticipated case load without undue stress.

- B.** This Agreement also authorizes the establishment of a multi-Board (or regional) Professional Standard Committee. The Professional Standard Committee shall be composed of at least two (2) members in good standing from each signatory Board.

The members of the Professional Standard Committee shall be appointed by the Presidents of the respective Board, subject to confirmation by the respective Boards of Directors, provided that the Presidents shall have the power to appoint, on a timely basis, and without necessity of confirmation by the Boards of Directors, substitute members to the Committee for any member from their respective Board who may be disqualified for any valid reason from hearing a particular matter. The Professional Standard Committee shall select its own Chairperson (or, alternatively, the Chairperson shall be selected from members of the Professional Standards Committee by a majority vote of the President of the Boards, which are signatories to this Agreement).

NOTE: There shall be at least nine (9) members of the Professional Standard Committee, and more, if feasible, to handle the anticipated caseload without undue stress.

- C.** Members of the Grievance Committee and the Professional Standards Committee shall be appointed initially in terms of one (1), two (2), and three (3) years (one-third for each term). New appointments shall be made for three (3) year terms as each term expires. Members of the committees shall be eligible for reappointment.
- D.** This Agreement also authorizes the appointment of a panel of Mediation Officers to include at least one (1) such Mediation Officer from each signatory Board. Although utilization of the service of medication shall be voluntary, and although the process is not defined as a tribunal, all parties to any requested arbitration shall be provided the opportunity to mediate a dispute arising out of a real estate transaction and their relationship as REALTORS® prior to the arbitration of dispute.

V. **Operation**

- A. Professional standards hearings 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 each Board signatory to this Agreement.
- B. Appeals of the Grievance Committee's dismissal of an ethics complaint or arbitration request (or challenges to the classification of arbitration requests) shall be heard by those members of the Committee who did not serve on the original tribunal. If panels of the Grievance Committee are not used, an appeal of the Grievance Committee's dismissal (or challenge to an arbitration request classification) shall be heard by a tribunal of five (5) members selected from the Board of Directors of the signatory Boards to be appointed by the Boards' President (Adopted 11/96).
- C. Appeal is not provided from the decision of an arbitration panel established under this Agreement, except with respect to a claim by a party alleging deprivation of due process. Such a claim shall be heard by an Appeal Panel as described in the second paragraph of (B) above.
- D. In matters of alleged unethical conduct, any determination rendered by a Hearing Panel of the multi-Board (or regional) Professional Standard Committee, and as finally determined if appealed, will be provided to the Respondent's Board of original jurisdiction of implementation.
- E. In matters involving arbitration, any determination rendered by a Hearing Panel of the multi-Board (or regional) Professional Standard Committee will be provided to each respective party's Board of original jurisdiction for informational purposes. In the event a party to an arbitration refuses to pay an award in arbitration, the Board in which the award recipient holds membership shall advise the award recipient to seek judicial enforcement as set forth in Section 56, **Part Ten**, and in Appendix III, **Part Ten**, of the *Code of Ethics and Arbitration Manual*.
- F. In the event a complainant alleges that the respondent has improperly refused to submit a dispute to arbitration, the allegation shall be brought before (choose one: a Tribunal of five (5) members selected from the multi-Board's Professional Standard Committee to be appointed by the Committee's Chairperson and chosen from the individuals who were not selected to serve on the original Arbitration Hearing Panel, or a tribunal of five (5) members selected from the Board of Directors of the signatory Boards to be appointed by the Board Presidents). The procedure for notices, time of notice, and hearing prescribed for matters before a Hearing Panel shall apply. The sole question of fact to decide will be whether the party has refused to submit an

arbitrable matter to arbitration in violation of Article 17. Upon determination that the member has refused to arbitrate a properly arbitrable matter, the (specify body – name of tribunal) may direct implementation of appropriate sanction, including suspension or expulsion of the member from the local Board of REALTORS®. The decision of the (specify body – name of tribunal) shall be final and binding and is not subject to further review by the State Association or any signatory Board. (Adopted 11/95)

VI. Reservation of Rights

A. It is understood and agreed by the Boards signatory to this cooperative Agreement that each 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 cooperative Agreement.

B. It is further understood and agreed that any Board signatory to this Agreement may withdraw from the Agreement at any time provided the withdrawing Board shall provide notice to the other signature Boards ninety (90) days in advance of the date of withdrawal.

IN WITNESS THEREOF, the parties have hereto set their hand and seals on this _____ day of _____, 2000. The effective date of this Agreement shall be _____, 2000

Attested by

Mountain Lakes Board of REALTORS®

(President)

(Secretary)

Date: _____

Franklin Board of REALTORS®

(President)

(Secretary)

Date: _____

