

## BYLAWS

### CALIFORNIA ASSOCIATION OF BUSINESS BROKERS

**These Bylaws as changed and amended were approved by the Board of Directors unanimously via board meeting teleconference on December 4, 2020.**

#### **ARTICLE I General**

**Section 1.01 Name and State of Incorporation.** The name of this corporation shall be the California Association of Business Brokers (hereinafter referred to as “the Association”) and is incorporated in the State of California.

**Section 1.02 Offices.** The principal office of the Association shall be the address of the person or company serving as the Executive Director of the Association. The Board of Directors (hereinafter referred to as “the Board”) may change the principal office from one location to another. Branch and subordinate offices may be established at such other locations as may be determined from time to time by the Board.

**Section 1.03 Fiscal Year.** The fiscal year of the Association shall begin on January 1 and end on December 31 of each year.

#### **ARTICLE II Mission and Purpose**

**Section 2.01 Mission.** The Association’s mission is to raise the professionalism and public awareness of California’s business brokers.

**Section 2.02 The purpose of the Association is:**

- a. To unite those engaged in the sale of California businesses for the purpose of developing the highest standards of ethics and professionalism.
- b. To maintain and improve the educational standards of the Business Brokerage industry.
- c. To better serve the public by creating a broader and more active market for business sales.
- d. To educate the public about the benefits of using Business Brokers to sell and acquire businesses.
- e. To serve as a forum for California business brokers to share their unique experience and knowledge.
- f. To encourage members to adhere to a code of ethics set forth by the Association.

#### **ARTICLE III Membership**

**Section 3.01. Classes of Membership.** The Association and/or Chapter shall have two classes of members as follows: (1) Regular Members and (2) Affiliate Members.

Regular Members have the right to vote on any matter authorized by the Bylaws. In all other respects, the rights, interest and privileges of each member, regardless of their classification in

the Association are equal. No member shall hold more than one class of membership. Any person actively engaged in providing services to members or their clients may be admitted to membership as an Affiliate Member.

### **Section 3.02 Qualifications.**

- a. Any licensed person actively engaged in the sale of businesses in California accepted to membership before July 1, 2006 shall be considered a Regular Member.
- b. Any licensed person accepted as a Regular Member after July 1, 2006 must successfully complete the course CABB 101 within nine months of applying for membership, or supply evidence of having completed the course. Failure to successfully complete this course will result in loss of all membership privileges until such time as the course is successfully completed. Members may apply for an exemption from taking CABB 101 if they can provide either of the following:
  - (1) Certification Track: (a) Proof of CBI or M&AMI certification from the IBBA or M&A Source, and (b) written recommendations from two current CABB members regarding their business brokerage experience and competency in same.
  - (2) Experience Track: (a) Have at least 3 years of full-time business brokerage experience, (b) Proof of having brokered at least 3 business sales transactions in California (does not include real estate transactions), and (c) written recommendations from two current CABB members regarding their business brokerage experience and competency in same.
- c. All Regular Members must maintain a valid and current license issued by California Bureau of Real Estate (BRE). Any Regular Member whose BRE license no longer states "LICENSED" will immediately lose all privileges of membership until that time that the BRE license is restored.

### **Section 3.03 Admission**

- a. Application for membership shall be made in writing on a form prescribed by the Board. The applicant shall be given a copy of the Association Bylaws, Code of Ethics and Rules and Regulations (if any).
- b. Regular and Affiliate Member applicants must have approval of the Membership Committee to gain membership status.
- c. Applicants who are rejected for membership may appeal to the Board or must wait one year from date of rejection to reapply for membership. This rule may be waived by a 2/3 vote of the Board.

### **Section 3.04 Fees, dues and assessments.**

- a. Membership fees and annual dues shall be determined from time to time by 2/3 vote of the Board. The Membership fee shall be submitted at time of application and will be refunded in full if the applicant is not accepted into membership.
- b. Annual dues shall be payable in full no later than December 31 of the year immediately prior to which the dues are applicable.

### **Section 3.05 Certificates.**

The Board may authorize the conferring of certificates, badges or plaques upon members of the Association to acknowledge membership.

**Section 3.06 Number of members.** There shall be no limit on the number of members the Association shall admit.

**Section 3.07 Membership Roster.** The Association shall keep a roster book or electronic database containing the names and addresses of all members. Termination of

membership shall be recorded in the roster book or database together with the date of termination and the reason terminated. This roster or database shall be kept at the Association headquarters for inspection by any member in good standing.

**Section 3.08 Non-Liability of Members.** No members shall be personally liable for the debts, liabilities or obligations of the Association.

**Section 3.09 Termination and Reinstatement of Membership.**

- a. The membership of any member who fails to pay dues when they become due or within 30 days thereafter shall be automatically terminated at the end of such 30 day period. The Board may, however, from time to time, prescribe procedures for extending the time for payment of dues and continuation of membership privileges upon request by a member and for good cause shown.
- b. Members who willfully violate the Code of Ethics or Rules and Regulations of the Association may have their membership terminated by a majority vote of the Board.
- c. All rights of membership shall cease at termination.
- d. Any member whose membership has been terminated may be reinstated by the Board as they deem appropriate by a 2/3 vote of the entire Board. The Board, at its option, may also impose reinstatement fees and other requirements.

**Section 3.10 Suspension and Expulsion.**

- a. Members of this Association may be censured or suspended for a period not to exceed 60 days, or expelled from this Association for good cause, provided they are given 30 day notice of the proceedings against them and opportunity to be heard in their own defense at a hearing before the Board. Each Director shall have one vote and a 2/3 vote with a quorum present shall determine membership status.
- b. "Good cause" for suspension or expulsion shall be described as follows:
  1. Failure to abide by the Bylaws, Code of Ethics, and/or the rules and regulations of the Association.
  2. Demonstrated incompetence in the field of business sales thereby reflecting on the competence of the Association members.
  3. Violation of the Real Estate Law of the State of California with the license revoked or suspended by the Bureau of Real Estate.
- c. Suspension or termination for cause procedure may be initiated by the Board by affirmative vote of the majority of all the Board present at a meeting at which a quorum is present (see 5.09.g), to censure, suspend or expel a member for cause, after an appropriate hearing. Within 30 days the member must be notified of a hearing on his or her behalf at the next regularly scheduled meeting of the Board. Notification shall be in person or by mail. A quorum of the Board must be present for the hearing or a special meeting must be called for the hearing, when a quorum will be present. Should a quorum not be present at the 2<sup>nd</sup> meeting called the matter shall be dismissed.
- d. Notice of meeting shall be given to all Directors at least 30 days in advance of hearing.
- e. The hearing shall be informal in nature and shall be presided over by the Board President or designated President-Elect in the President's absence. The President shall:
  1. Read the charges against the member.
  2. Require that the charges be verified by testimony.
  3. Hear any other witnesses against the member.

4. Allow the member to defend his or her actions.
5. Allow the Board to examine testimony prior to their decision.
- f. If there is not a 2/3 majority vote in favor of suspension, the matter shall be dropped.
- g. An expelled or suspended member shall not be granted reinstatement until restitution is made (if called for in the decision of the Board) or one year has passed and membership is again requested by the subject member.

## **ARTICLE IV**

### **Meetings and Voting**

**Section 4.01 Place.** Association meetings shall be held at various locations throughout the State of California during the year as determined by the President.

**Section 4.02 Special meetings.** Special meetings shall be held from time to time at the discretion of the Board.

**Section 4.03 Notice.** Printed notice of any meetings shall be sent by mail or electronic media to each member at least seven days prior to that meeting.

**Section 4.04 Voting.**

- a. Each Regular member in good standing is entitled to one vote on each matter submitted to a vote of the members by the Board. Voting shall be by voice vote, mail or electronically as determined by the Board except as otherwise provided in these Bylaws. Election of Directors shall be by printed or electronically transmitted ballots.
- b. Single votes may not be fractionalized.

**Section 4.05 Conduct of meeting.** Membership meetings shall be presided over by the President or President-Elect, or in their absence by a temporary Chair designate elected by the membership present, and in accordance with Section 10.01.

## **ARTICLE V**

### **Board of Directors (Board)**

**Section 5.01 Number.** The Board shall have twelve members and shall be collectively known as the Board. It shall be comprised of the current President, President-Elect, Secretary, Treasurer (Officers), the immediate past President, and seven members (Directors) at large. Any Director or Officer who resigns shall not be eligible to be a Director or Officer for a period of two years from the date of resignation unless approved by a 2/3 vote of the Board. No more than two of the Board members may be Affiliates.

**Section 5.02 Powers.** The Board shall exercise the powers of the Association, control its property, and conduct its business affairs.

**Section 5.03 Duties.**

- a. The Board shall perform any and all duties imposed on them collectively or individually by law or by these Bylaws.

- b. The Board shall appoint and remove, employ and discharge and except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the Association.
- c. The Board shall supervise all officers, agents, and employees of the Association to assure that their duties are properly performed.
- d. The Board shall meet at such times and places as required by these Bylaws.
- e. The Board members shall register their current addresses and email addresses with the Secretary of the Association, and notices of meetings mailed or emailed to them at those addresses shall be valid notices.
- f. Directors of the Board are expected to chair Association committees as appointed by the President.

**Section 5.04 Qualifications.** Any Regular or Affiliate Member of the Association, having been a member of the Association for the most recent two years prior to the election and current with dues is qualified to be elected as a Director or Officer, except as noted below in Section 6.03 under qualifications for President, and as provided by these Bylaws.

- No more than one Board member may be associated with the same brokerage firm.
- No more than two Board members may be associated with the same franchise system or associated offices. "Associated offices" include offices and/or firms that may be independently owned, but operating pursuant to a licensing or shared identity agreement.

**Section 5.05 Terms of Office.** Each Officer and Director shall hold office for two years after the annual election and until his or her successor is elected and qualifies for the period of January 1 to December 31, with the exception of President whose term shall be for one year. If the termination of the President's term coincides with the expiration of his/her term on the Board, the President shall automatically become the Immediate Past President and his/her term shall automatically extend one additional year without requiring nomination or election to the Board. Any Immediate Past President who has had their term automatically extended under this provision that wishes to be re-elected to the Board after the one-year extension must be nominated and elected in accordance with Sections 5.06 and 5.07 herein. Affiliate members of the Board are limited to a single two-year term but may be re-elected to an additional term, two years after the expiration of their term (i.e. they must be off the Board for 2 years before starting another term).

**Section 5.06 Nomination.** Prior to September 1 of each year, a nominating committee of not less than three members shall be appointed by the President. Members of this committee shall not be eligible for nomination. Committee selections shall be published and communicated to the members at least 15 days prior to the ballot being mailed or electronically transmitted to each regular member.

**Section 5.07 Election.** Officers and Directors shall be elected by ballots which are sent to each member in good standing as long as those elected meet the qualifications required by sections 5.04 and 6.03. They shall be eligible for reelection without limitation except as noted in Section 5.05. The highest number of votes shall determine election to the office. Mail-in ballots and electronically transmitted ballots must be received prior to the deadline for voting which shall be published and noticed with the announcement of the election by November 1.

All Directors and all Officers shall be elected for two year terms, excepting for President as noted in Section 6.03, unless filling an unexpired term.

**Section 5.08 Compensation.** Officers and Directors may receive reimbursement for out of pocket expenses when spent for actual and necessary expenses connected with their duties as Officers and Directors, as approved by the President and Treasurer.

**Section 5.09 Meetings.**

- a. At least six meetings shall be held each year.
- b. Meetings shall be held at a place designated by the Board.
- c. Special meetings may be called at the discretion of 3 or more members of the Board.
- d. Notice by mail or electronic media shall be given to all members at least seven days prior to the meeting.
- e. Meetings may be held through telephone conferencing.
- f. Meetings shall be presided over by the President or President-Elect if the President is absent, and minutes shall be taken by the Secretary or Secretary Designate.
- g. More than fifty percent of the existing Board members shall constitute a quorum.

**Section 5.10 Majority Action.** Every action or decision made by a majority of the Board shall stand.

**Section 5.11 Written Consent.** Any action may be taken without a meeting, if all members of the Board consent to the action in writing. Such action shall be filed with the minutes and shall have the same force and effect of a unanimous vote.

**Section 5.12 Absences.** A Director is expected to prepare for and attend meetings of the Board. A Director is considered "absent" from a meeting if attendance is not confirmed within 15 minutes of role being taken.

- After a Director misses 2 meetings (in a calendar year) - they are to receive a reminder of the policy.
- After missing 3 meetings in a calendar year – it will be assumed the Director wishes to resign. The resignation will become effective 30 days thereafter unless 2/3 of the Board votes to reinstate before that time.
- A letter will be sent confirming the Board's understanding of the Director's intention.
- The Director will have 21 days to file a request to stay on the Board.
- Upon receipt of the request – the Board will vote to reinstate at the next meeting.
- If no letter is received within this period, or less than 2/3 of the Board in attendance at the Board meeting votes to reinstate the Director, then the position will be considered Vacant.
- Two additional absences within the same calendar year will be deemed a non-revocable resignation.

**Section 5.13 Removal of Officers or Directors.** Any individual Officer or Director may be removed by a vote of 2/3 of the Board, or by 2/3 vote of the then paid up membership. New Officers or Directors shall be elected by the membership and shall hold office for the remainder of the term or terms of the removed Officer or Director. Any Officer or Director

who is removed shall not be eligible to be an Officer or Director for a period of two years from the date of removal.

**Section 5.14 Filling Vacancies.** Vacancies caused by death, resignation, or disability shall be filled by appointment of the remaining Board members by a 2/3 vote.

**Section 5.15 Vacancy terms.** The appointee shall remain on the Board for the remainder of the term of office that they were appointed to.

## **ARTICLE VI Officers and Executive Committee**

**Section 6.01 Titles and Numbers.** There shall be four officers of the Association and they shall be the President, Incoming President, Secretary and Treasurer.

**Section 6.02 Executive Committee.** The Executive Committee shall be comprised of the Officers and the Immediate Past President. If the Immediate Past President resigns or is removed from office then the most recent Past President available can be appointed as Immediate Past President, as per Section 5.14, for the remainder of the one-year term.

The role of the Executive Committee is to function as an advisory group to the President, to supervise the Executive Director – including compensation and performance and to manage CABB’s relationship with the IBBA.

**Section 6.03 Officer Qualification.** Any Director is qualified to become an Officer of the Association except for Affiliate members. Officers shall be elected through a general election and shall hold office for two years, excepting for President whose term shall be one year, beginning January 1 to December 31 unless they resign, are removed, or are otherwise disqualified to serve. In addition to the general qualifications to be elected, in order to be eligible to run for President, a Board member must have served at least one full year on the Board.

**Section 6.04 Removal and Resignation.** Section 5.13 refers to removal of Officers and Directors. Any Officer or Director may resign by giving written notice to the Board. The resignation shall take effect on the date noted in the resignation and the remaining Board members shall fill the vacancy as specified by section 5.14.

**Section 6.06 President Duties.** The President shall be the Chief Executive Officer of the Association and shall supervise and control the affairs of the Association. The President shall perform all duties incident to the office and such other duties as may be required by law or these Bylaws or which may be prescribed by the Board. The President shall preside at all meetings, execute all deeds, mortgages, bonds, contracts, checks or other instruments which may from time to time be authorized by the Board. The President shall also be an ex-officio member of all standing committees of the Association.

**Section 6.07 President-Elect Duties.** The President-Elect shall in the absence or inability of the President to act, perform all the necessary duties of the President. These duties will

cease upon the return of the President. The President-Elect may also be assigned other duties as the Board sees fit to assign.

**Section 6.08 Secretary Duties.**

- a. Certify and keep the original copy of these Bylaws as amended or altered to date.
- b. Keep minutes of all meetings recording the time and place of holding, whether regular or special, how notice was given, attendees and all pertinent meeting results.
- c. See that proper notice is given to membership according to these Bylaws.
- d. Keep an up to date membership book or electronic database containing the name, company name, address, telephone number and email address of each member plus pertinent membership information concerning any suspension or termination.
- e. Exhibit all minutes, rosters or other forms to any Officer, Director or voting member, or their approved agent or attorney on demand.
- f. Perform other duties as directed by the President or the Board that are incident to the position of Secretary of the Association.
- g. The Secretary Duties may be delegated to the Executive Director, as approved by the Board, and under the direct management of the Secretary.

**Section 6.09 Treasurer Duties.**

- a. Assure proper internal controls in place to safeguard the financial assets of the association.
- b. Review and submit to the Board a monthly accounting of all receipts and disbursements in the form of a financial statement showing results for the month and calendar year-to-date.
- c. Submit an annual budget forecasting revenue and expenses to the Board for review and approval.
- d. Assure adherence to Board approved signatory access to all bank accounts.
- e. Review and approve all bank and general ledger account reconciliations on a monthly basis.
- f. Assure the timely filing of all required annual reporting and tax returns.
- g. The Treasurer Duties may be delegated to the Executive Director, as approved by the Board, and under the direct management of the Treasurer.

**Section 6.10 Compensation.** Any salary due Board members shall be set by the Board by a 2/3 vote and approved by a majority of the members at the annual meeting. Expense reimbursement is covered in section 5.08.

**ARTICLE VII  
Committees**

**Section 7.01 Creation and Process.** The Association Board, by a majority vote of its members, may create any committee deemed necessary or convenient to serve the purposes of the Association on such terms and conditions as from time to time the Board may require. The President shall appoint the chairperson and members of the committee. By a majority vote, the Board may modify or revoke any of the authority so delegated. The committee shall establish a time and place for its meetings with reasonable notice to all members, and no act of a committee shall be valid unless approved by the majority of its



members. Each committee shall keep minutes of its meetings and submit the minutes to the Board Secretary.

**Section 7.02 President's right to attend.** President of the Board shall have the right to attend all committee meetings.

**Section 7.03 Terms.** Committee Chairpersons and members shall serve terms set by the Board and may be extended if the Board sees fit to do so. All committees and members shall be reviewed annually by the Board for reappointment.

**Section 7.04 Vacancies.** Vacancies on committees shall be filled by the Board for the unexpired term.

**Section 7.05 Quorum.** A majority of committee members shall constitute a quorum.

**Section 7.06 Conduct.** Each committee shall adopt its own rules for procedure as long as they are consistent with the law and do not violate these Bylaws or rules and regulations set by the Board.

## **ARTICLE VIII Chapters**

**Section 8.01 Chapters.** The Board may determine policies, procedures, fees and requirements that allow Chapters of the Association. Chapters shall have a mission and purpose compatible with and similar to the mission and purpose of the Association.

## **ARTICLE IX Association Management**

**Section 9.01 Executive Director.** The Board shall identify and engage an Executive Director, who may either be an employee of the Association or of a professional Management Firm contracted with the Association. The administrative and executive offices of the Association shall be the responsibility of the Executive Director and shall report to the President.

**Section 9.02 Executive Director Duties.**

- a. The duties and responsibilities of the Executive Director will be defined by the Board in the form of a job description, or contracted with a management firm wherein the duties are included in the management agreement.
- b. The Executive Director will report to the Executive Committee and will perform those duties and have responsibilities as thereby assigned.
- c. The Executive Director shall attend all meetings of the Board and Executive Committee as an ex-officio member without voting rights.
- d. The Executive Director shall make reports to the Board and Executive Committee on the affairs and business of the Association when requested by the Board or Executive Committee.

e. The Executive Director may delegate certain duties to their staff.

## **ARTICLE X**

### **Rules of Order - Parliamentary Authority**

**Section 10.01 Conduct.** The rules contained in Robert's Rules of Order, Newly Revised (latest edition) shall supplement the rules and regulations adopted by the Association and shall govern the Executive Committee, the Board, and the Committees in all cases in which such rules are applicable and are not inconsistent or in conflict with law, these Bylaws, or the rules and regulations adopted the Board.

## **ARTICLE XI**

### **Execution of Instruments**

**Section 11.01 Execution of Instruments.** The Board, except as otherwise provided in these Bylaws, may by resolution authorize any Officer, Director, or agent of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized, no Officer, agent, or employees shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

**Section 11.02 Contracts.** Any decision that commits the Association to a contract value of more than \$1,000 shall be sent out for bid, must receive at least 3 proposals, and must be submitted to Board for approval. In case there are not 3 providers that can provide reasonable bids, the 3-proposal requirement can be waived by a vote of the majority of the total board in a meeting where a quorum of the Board is present.

**Section 11.03 Deposits.** The Board shall authorize the depositories that will be used for the Association assets.

## **ARTICLE XII**

### **Indemnification and Insurance**

**Section 12.01 Indemnification.** The association shall indemnify and defend any and all of its current or former Officers, Directors, committee members, staff, and agents against expenses, judgments, decrees, fines, penalties and amounts paid in defense or settlement of pending or threatened civil or criminal proceedings or other claims in which they or any of them are made parties to in connection with or related to their being or having been Officers, Directors, committee members, agents or staff to the full extent permitted by law.

**Section 12.02 Insurance.** The Association may purchase and maintain insurance on behalf of the Association and any person who is or was serving the Association as an Officer, Director, committee member, or agent against any liability asserted against the

Association or such persons in connection with or related to matters whether or not the Association would have the power to indemnify such person(s) against such liability.

**Section 12.03 Directors and Officers Rights.** The foregoing rights of indemnification shall not be exclusive of other rights to which any such Director, Officer, Association representative or staff may be entitled by contract or as a matter of law, and shall inure to the benefit of the heirs, legatees, and personal representatives of such Director, Officer, Association representative or staff, to the extent permitted by law.

**Section 12.04 Savings Provision.** If any word, clause or provision of this Article shall, for any reason, be determined to be invalid, the remaining provisions hereof shall not otherwise be affected thereby, but shall remain in full force and effect.

### **ARTICLE XIII Association Records**

**Section 13.01 Books and Records.** The Association must keep adequate and correct records of account and minutes of the proceedings of its members, Board, and committees of the Board. The Association must also keep a record of its members giving their names and addresses and the class of membership held by each. Other books and records will be kept in either written form or in any other form capable of being converted into written form.

**Section 13.02 Meeting Minutes.** The minutes will be kept in written form. A book of minutes shall be kept at the principal office of the Association. The minutes shall contain the minutes of all regular and special meetings of the Board plus all committee meeting minutes. The minutes shall present all the information required by section 6.08.b of these Bylaws.

**Section 13.03 Accounting Records.** The Association shall keep and maintain adequate and correct accounts of its properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

**Section 13.04 Annual Reports.** By March 31 of every year the President shall cause to be prepared and made available an annual report in writing for the information of all members. It shall summarize the prior year's activities and projections for the coming year.

**Section 13.05 Records open to the Membership.** The correspondence and the meeting minutes, the Treasurer's books of accounts and the Secretary's records except confidential matters relating to membership, contracts or personnel, shall be open for inspection, by any members of the Association in good standing, at the offices of the Executive Director during normal business hours fixed by the Executive Committee.

### **ARTICLE XIV Association Forms**

**Section 14.01 Association (CABB) Forms.** CABB forms and their contents are the copyrighted property of CABB and are available from the Association for the exclusive use of members in good standing. Members may utilize the forms only under the following conditions:

- a. CABB forms may not be reproduced, copied, plagiarized in whole or in part, or incorporated into any other forms or documents not produced by the Association.
- b. With the exception of word or phrase omissions utilizing strike-throughs, or the use of separate addenda, alteration of CABB forms is prohibited.
- c. The Association logo shall not be removed from CABB forms, nor may business names or other logos be added.
- d. The Association logo may not be affixed to any non-CABB forms.
- e. Association forms may not be made available for use by non-members except when co-brokering with a non-member broker or when conducting business brokerage activities with buyers and sellers.
- f. Members that provide access to Association forms on web sites, CRM systems or other digital media shall take reasonable measures to prevent non-member brokers and agents from using the forms and prevent unauthorized reproduction of the forms.
- g. The Association Board shall enforce the provisions of this Article by all legal means including, but not limited to, notification to any offender to cease and desist from such violations; institution of any appropriate legal or administrative action in the court or agency of appropriate jurisdiction to enforce the Association's rights in its intellectual property; and, in the case of violations by any member of the Association, revocation or suspension of such member's membership.

## **ARTICLE XV Association Logo**

**Section 15.01 Logo.** Members and the firms with which they are affiliated may use the Association logo only as follows:

- a. Any member of the Association may display the Association's logo on business cards. Upon termination of membership, the member must immediately terminate use of the logo.
- b. A brokerage firm may display the logo on its letterhead, advertisements, brochures, and other marketing materials only if:
  1. Over 50% of its sales personnel are actively engaged in full-time business brokerage, and
  2. Over 50% of its sales personnel who are engaged in business brokerage are members of the Association.
  3. The Board may take any steps necessary to enforce this article, including, but not limited to, the termination of the member's membership.

## **ARTICLE XVI Effective Date and Amendments**

**Section 16.01 Effective Date.** These Bylaws shall become effective upon their adoption. Amendments to these Bylaws shall become effective immediately on their adoption unless

the Board or members, in adopting them as hereinafter provided, provide that they are to become effective at a later date.

**Section 16.02 Amendments.** Subject to any provisions of law applicable to amendment of Bylaws of nonprofit corporations, these Bylaws or any of them, may be altered, amended, or repealed and new Bylaws adopted by the Board by a 2/3 vote of the Board present at any regular or special meeting of the Board, or by a majority vote of the members at a meeting specially called for this purpose.

**Section 16.03 Retention.** The original or a copy of the Bylaws as amended or otherwise altered to date, certified by the Secretary of the Board shall be recorded and kept in a book which shall be kept in the principal office of the Association, and such book shall be open to inspection by the members at all reasonable times during office hours.

## **ARTICLE XVII**

### **Duties of Members & Arbitration Procedures**

**Section 17.01 Members' Duties.** Among the duties of membership are the following:

- a. To abide by the Code of Ethics adopted herewith and attached to these Bylaws.
- b. To abide by the Bylaws and Rules and Regulations (if any) of this Association as herein promulgated.
- c. To submit to arbitration with procedures adopted by the Board.

## **ARTICLE XVIII**

### **Dissolution and Distribution of Assets**

**Section 18.01 Dissolution and Distribution of Assets.** Upon dissolution of the Association, the Association shall use its funds and assets only to accomplish the objects and purposes specified in these Bylaws and no part of said funds and assets shall inure or be distributed to the members of the Association. On dissolution, any funds or assets remaining after payment of the Associations obligations shall be distributed to one or more regularly organized or qualified charitable, educational, scientific or philanthropic organizations or business organizations to be selected by the Board.

## **ARTICLE XIX**

### **Code of Ethics**

**Section 19.01 Code of Ethics.** The Code of Ethics adopted by the membership of the Association is attached hereto.

Approved and Adopted this 14th Day of November 1986 by the Board of Directors and their duly elected officers.