



GREATER SAN DIEGO ASSOCIATION OF REALTORS® AMENDED AND RESTATED BYLAWS

Revisions Approved by Membership:
August 30, 2012

Special Election Revisions Approved by Membership:
April 19, 2013

Revisions Approved by Membership:
September 4, 2015

Revisions Approved by Membership:
August 26, 2021

Revisions Approved by Membership:
August 26, 2023

Revised by Membership: 08.30.2012

Article I., Section 1.

Article XI., Section 1., K.

Article XI., Section 1., D.

Revised by Membership at Special Election: 04.19.2013

Article IV., Section 1., D.

Article VI., Section 4.

Article XI.

Revised by Membership: 09.04.2015

Article IV, Section 1. A

Article VI, Section 11.

Revised by Board of Directors:

Article XIII., Section 1 (02.17.12)

Article XIII., Section 1 (05.10.12)

Article VII, Section 2. (12.14.12)

Article V., Section 1., A. (05.10.13)

Article XIII, Section 1 (12.11.15)

Article V, Section 3 (12.18.16)

Article V, Section 5 (12.18.16)

Article VI, Section 5 (12.18.16)

Article XII, Section 1 (03.23.18)

Adopted by Board of Directors:

Article X, Section 2 (12.13.13)

Article XI, Section 1., C., (6)

Revised by Membership: 08.30.2018

Article XI, Section 1D

Article XI, Section E4-6C

Revised by Membership: 08.26.2021

Article III

Article IV, Section 1., E.

Article V, Section 3., F.

Article VI, Section 13

Article XI, Section 1., B (1)-(5)

Article XI, Section 1., C., (2)

Article XI, Section 1., D.

Article XI, Section 1., E., (3)

Article XI, Section 1., J.

Article XI, Section 2., A

Article XI, Section 2., B

Article XI, Section 2., C., (2)

Article XI, Section 2., H

Revised by Membership: 08.26.2022

Article VI, Section 13
Article XI, Section 2, A
Article XI, Section 2, K
Article XIII, Section 2, B

Revised by Membership: 08.26.2023

Article IV, Section, 1, A., (1)
Article V, Section 3, E
Article VI, Section 13
Article X, Section 7
Article XI, Section 1, B., (2)
Article XI, Section 1, B., (4), (e)
Article XI, Section 1, D
Article XI, Section 1, E., (5)
Article XI, Section 1, E., (8)
Article XI, Section 1, E., (9), (b)
Article XI, Section 1, E., (10)
Article XI, Section 2, J
Article XI, Section 3, A
Article XIII, Section 2, B
Article XIII, Section 5
Article XIII, Section 11, C
Article XIII, Section 11, F
Article XIII, Section 1

Article IV, Section 1, E
Article V, Section 3, F
Article X, Section 2, B, NOTE
Article XI, Section 1, A., (1)
Article XI, Section 1, B., (4), (a)
Article XI, Section 1, C., (4)
Article XI, Section 1, E., (3)
Article XI, Section 1, E., (6)
Article XI, Section 1, E., (9)
Article XI, Section 1, E., (9), (c)
Article XI, Section 2, B., (1)
Article XI, Section 2, K
Article XIII, Section 1
Article XIII, Section 3
Article XIII, Section 7
Article XIII, Section 11, D
Article XIII, Section 11, G
Article XIII, Section 6

Article V, Section 1, B
Article VI, Section 10
Article X, Section 3
Article XI, Section 1, A., (4)
Article XI, Section 1, B., (4), (c)
Article XI, Section 1, C., (5)
Article XI, Section 1, E., (4)
Article XI, Section 1, E., (7)
Article XI, Section 1, E., (9), (a)
Article XI, Section 1, E., (10)
Article XI, Section 2, I
Article XI, Section 2, N
Article XIII, Section 2, A
Article XIII, Section 4
Article XIII, Section 11, A
Article XIII, Section 11, E
Article XVIII

**GREATER SAN DIEGO ASSOCIATION OF REALTORS
AMENDED AND RESTATED BYLAWS**

TABLE OF CONTENTS

	Page #
ARTICLE I General	2
ARTICLE II Objectives	3
ARTICLE III Jurisdiction	3
ARTICLE IV Membership	3
ARTICLE V Qualification and Election	6
ARTICLE VI Privileges and Obligations.	11
ARTICLE VII Professional Standards & Arbitration	15
ARTICLE VIII Use of the terms REALTOR® and REALTORS®	16
ARTICLE IX State and National Membership	17
ARTICLE X Dues and Assessments	17
ARTICLE XI Directors and Officers	21
ARTICLE XII Meetings of Members	32
ARTICLE XIII Committees , Task Forces and Advisory Groups	33
ARTICLE XIV Fiscal and Elective Year	36
ARTICLE XV Rules of Order	37
ARTICLE XVI Amendments	37
ARTICLE XVII Dissolution	38
ARTICLE XVIII Multiple Listing Service (MLS).	38

ARTICLE I - GENERAL

- Section 1. Name.** ¹The name of this organization shall be the Greater San Diego Association of REALTORS®, Incorporated, hereinafter referred to as the "Association."
- Section 2. REALTORS®.** Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the National Association of REALTORS® as from time to time amended. The principal office for transaction of business of the Association will be designated by the Board of Directors in the City of San Diego, County of San Diego, State of California. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in said county. Branch offices or subordinate offices may at any time be established by the Board of Directors at any place or places where the Association is qualified to do business.
- Section 3. Terms.** The National Association of REALTORS® hereinafter will be referred to as the National Association. The California Association of REALTORS® hereinafter will be referred to as the State Association. Throughout these Bylaws and any rules and regulations of the Association, the singular shall include the plural wherever necessary and, one gender shall include any other gender wherever necessary.
- Section 4. Authority.** No one member, committee, or group may make a commitment on behalf of or speak for the Association without written authorization of the President or the Board of Directors.
- Section 5. Right to Indemnity.** To the fullest extent permitted by law, this Association shall indemnify its Directors, Officers, Employees and other persons described in Section 9246(a) of the California Corporations Code, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in that Section and including an action by or in the right of the Association, by reason of the fact that the person is or was a person described in that section. "Expenses" as used in this bylaw shall have the same meaning as in the Section 9246(a) of the California Corporations Code.
- Section 6. Trusteeships.** California Corporation Code, Section 7210 permits a Board of Directors to establish Trusteeships. The Board may delegate the management of the activities of the Association to any person or persons, management company, or committee however composed, provided that the activities and affairs of the Association shall be managed, and all corporate powers shall be exercised under the ultimate direction of the Board.

¹ Approved by membership 8/30/12

Section 7. Policies and Procedures. Appropriate administrative policies and procedures shall be placed into effect to carry out the intent of these Bylaws in accordance with the California Corporation Code, and the Executive Vice President shall maintain a Policies and Procedures Manual which shall be given to the Board of Directors at each annual organization meeting of the Board of Directors.

ARTICLE II - OBJECTIVES

The objectives of the Association are:

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.
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®.
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.
4. To further the interests of home and other real property ownership.
5. To unite those engaged in the real estate profession in this community with the California Association of REALTORS® and the National Association of REALTORS®, thereby furthering their own objectives throughout the state and nation and obtaining the benefits and privileges of membership therein.
6. To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the National Association of REALTORS®.

ARTICLE III - JURISDICTION

The territorial jurisdiction* of the Association as a member of the National Association of REALTORS® is all of San Diego County except those territories of other member Associations of the National Association of REALTORS® designated as North San Diego County, and Pacific Southwest Associations of REALTORS®, as delineated on the San Diego County Regional Base Map as approved by the National Association of REALTORS®.

*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 IV - MEMBERSHIP

The Association does not require real estate licensees to become members of the Association.

The use of the word “member” herein shall not confer upon any individual any legal or other rights not otherwise set forth in these Bylaws or in the Articles of Incorporation of the Association.

Section I. Voting Members:

A. **REALTOR® Members.** REALTOR® members, whether primary or secondary shall be:

- (1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including but not limited to, 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 California or located within the United States, its insular possessions, and the commonwealth of Puerto Rico,. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a contiguous or noncontiguous state thereto shall qualify for REALTOR® membership only, and each is required to hold REALTOR® membership (except as provided in the following paragraph) in an Association of REALTORS® within the state or a contiguous or noncontiguous state thereto unless otherwise qualified for Institute Affiliate membership as described in this Article.

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 board in which one of the firm’s principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate membership as described in Article IV.

- (2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® member and meet the qualifications set out in Article V.

B. **Franchise REALTOR® Members.** Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions, and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to Association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local Association, State Association and National Association.

- C. **Primary and Secondary REALTOR® Members.** An individual is a primary member if the Association pays State Association and National dues based on such member. An individual is a secondary member if State Association and National dues are remitted through another Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.
- 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 ²or to mediate if required by the Association, pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.
- E. **Members for Life.** Individuals who have served the Association notably and (i) have been a member in good standing for a period of not less than forty (40) years and continue to be members in good standing of the Association, State Association and National Association; and (ii) have obtained the age of seventy-five (75); and/or all Past Presidents of the Association. Local Association dues shall be deemed paid in full for life. Members For Life shall still be responsible for payment of any State and/or National Dues.

Section 2. Non-Voting Members.

- A. **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 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.
- B. **Affiliate Members.** Affiliate members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs A. or B. of this Section 1, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

Affiliate membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the Association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

² Approved by membership 4/19/13

- C. **Public Service Members.** Public Service members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.
- D. **Distinguished Members.** Membership may be granted to a former REALTOR® member who resigned in good standing and had a long affiliation with and a history of outstanding service to the Association and receives the unanimous vote of the Directors present at any regular meeting of the Board of Directors. Additional criteria for this membership category shall be: Minimum age of 60 years; minimum of 15 years as a REALTOR® member of the Association, and shall have during the course of membership, (1) been an elected Officer, or (2) been an active member of the Board of Directors for a minimum of two terms, or (3) served effectively as a committee chair for a minimum of four terms, and (4) not currently engaged in the real estate profession.
- E. **Honorary Members.** Individuals not necessarily engaged in the real estate profession who have performed notable service for the real estate profession, for the Association and/or for the public.
- F. **Student Members.** Student members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning. Student members shall have completed at least two years of college and at least one college level course in real estate and are not engaged in the real estate profession on their own account or associated with an established real estate office.

Section 3. Implementation. Appropriate Administrative Procedures shall be placed into effect to carry out the intent of this Article.

ARTICLE V - 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:

- A. that applicant agrees as a condition to membership to thoroughly familiarize her/himself with the Code of Ethics of the National Association, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® member, will abide by the Code of Ethics of the National Association, including the obligation to arbitrate³(or to mediate if required by the Association) controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as

³ Revised by Board of Directors 5/10/13

further specified in the Code of Ethics and Arbitration Manual of the National Association, as from time to time amended, and

- B. that applicant consents that the Association, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification.

- A. **Designated REALTORS®.** An applicant for REALTOR® membership who is a broker acting as a sole proprietor, partner, corporate officer, or broker or salesperson who is a branch office manager of a real estate firm shall supply evidence that 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 or a state contiguous thereto (unless a secondary member), agrees to complete an Orientation course covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, the Constitution and Bylaws and Code of Ethics of the National Association, and a course on the National Association's Code of Ethics as presented by the Association. If elected to membership, the applicant will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.
- B. **REALTORS®.** Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® member of the Association or a Designated REALTOR® member of another Association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, agree to complete an Orientation course covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, the Constitution and Bylaws and Code of Ethics of the National Association, and a course on the National Association's Code of Ethics as presented by the Association. If elected to membership, the applicant will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.
- C. **REALTOR® Members.** REALTOR® members shall have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years, or (ii) criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted

and (2) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.”

D. Factors Considered. The Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:

1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years
2. Pending ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitration requests (or hearings)
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm. (Amended 05/2006)

“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); 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 shall make membership conditional 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.

NAR Bylaws prohibits Member Associations 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.

Section 3. Election.

The procedure for election to membership shall be as follows:

A. Class of Membership and Provisional Membership. The Executive Vice President (or duly authorized designee) shall determine whether the applicant

is applying for the appropriate class of membership. If the Association has adopted provisional membership, applicants for REALTOR® membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable Association dues and any application fees. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application of the Board of Directors.

- B. **Vote on Membership and Approval.** The Board of Directors shall review the qualifications of the applicant and the recommendations of the committee. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in these Bylaws, or, if the individual does not satisfy all of the requirements of membership within 60 days from the Association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received Association services and any application fee. The Board of Directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, the applicant shall be declared elected to membership and shall be advised by written notice.
- C. **Notice of Findings.** The Board of Directors may not reject an application for membership without providing the applicant with advance notice of the findings, an opportunity to appear before the Board of Directors while a quorum is present, to call witnesses on the applicant's behalf, to be represented by counsel, and to make such statements as the applicant deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.
- D. **Denial of Membership.** If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Executive Vice President (or duly authorized designee). If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.
- E. **Code of Ethics Training.** 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.

NOTE: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the National Association.

- F. **Continuing Member Code of Ethics Training.** Effective January 1, 2022, through December 31, 2024, and for successive three (3) year periods thereafter, each REALTOR® member of the Association, with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association, shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another Association, the State Association, the National Association, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the National Association 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 (3) year cycle shall not be required to complete additional ethics training until a new three (3) year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty. Failure to meet the requirement in any three (3) 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 (3) -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.

Section 4. Status Changes.

- A. **Change in conditions.** A REALTOR® or Designated REALTOR® who changes the conditions under which they hold membership shall be required to provide written notification to the Association within 30 days and comply with all other requirements within 60 days.
- B. **Application Fees.** Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.
- C. **Dues.** Dues shall be prorated from the first day of the quarter in which the applicant applies for membership. Members are notified of election by the Board of Directors, and membership shall be based on the new membership status for the remainder of the year.

Section 5. Implementation. Appropriate administrative procedures shall be placed into effect to carry out the intent of this Article.

ARTICLE VI - PRIVILEGES and OBLIGATIONS

The privileges and obligations of members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article.

Section 1. Disciplinary Procedures. 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 consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Board. Although members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of the National Association and conduct their business and professional practices accordingly. Further, members other than REALTORS® may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the National Association.

Section 2. Code of Ethics Violations. 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 as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 3. Resignations. Resignations of members shall become effective when received in writing by the Board of Directors, provided, however, that if any member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

Section 4. Resignation With Pending Arbitration or Disciplinary Hearing. 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 which 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 ethics 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.

If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration ⁴or to mediate if required by the association continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 5. REALTOR® Members. REALTOR® members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

A. **REALTOR® Suspension or Expulsion.** If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until re-admission to REALTOR® membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined member, or until re-admission of the disciplined member or unless connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes her/himself from any form or degree of management control of the firm for the term of the suspension or until re-admission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former member is admitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS®

⁴ Approved by membership 4/19/13

other than principals who are employed or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension of the disciplined member or until re-admission of the disciplined member, or unless connection of the disciplined member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® member (non-principal) elects to sever the member's connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the Association, whichever may apply.

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

- B. Notice on Suspension or Expulsion.** In any action taken against a REALTOR® member for suspension or expulsion under this section, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® member and they shall be advised that the provisions in Article VI. shall apply.

Section 6. 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.

NOTE: Local Associations establish the rights and privileges to be conferred on Institute Affiliate members except that no Institute Affiliate member may be granted the right to use the term REALTOR®, or the REALTOR® logo, or to serve as President of the local Association.

Section 7. Affiliate Members. Affiliate members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 8. Public Service Members. Public Service members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 9. Distinguished Members. Distinguished members shall have the right to enjoy the privileges of membership that were hers/his when last an active member, except the right to vote.

Section 10. Student Members. Student members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors. and in accordance with the rules & regulations of the California Association of Realtors and/or the National Association of Realtors.

Section 11. Certification by REALTOR®. "Designated" REALTOR® members of the Association shall certify to the Association on dates established by the Board of Directors on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTORS® office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-

member licensees in the REALTORS® office(s) and if Designated REALTOR® dues have been paid to another Association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X. 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 days of the affiliation or severance of individual(s). If a REALTOR® member fails to so certify the real estate licensees in the office(s) within thirty days after the established dates and is notified of same by the Association, the REALTOR® shall be automatically suspended. Compliance during the suspension period will automatically reinstate said REALTOR® members. If said Designated REALTOR® member fails to so certify the real estate licensees in his office at the end of six months after established dates, the Designated REALTOR® shall be automatically expelled without further proceedings. New Designated REALTOR® members shall complete the licensee certification form immediately upon approval by the Board of Directors.

Section 12. Suspension or Revocation of License. A member of this Association whose real estate license has been either suspended or revoked for any reason by the State of California shall notify the Association of such action as soon as the licensee is so advised.

- A. **License Suspension.** A member of the Association whose license has been suspended by the State of California is automatically suspended from membership in the Association as of the date of such action by the State of California.
- B. **License Revocation.** A member of the Association whose license has been revoked by the State of California is automatically expelled from membership in the Association as of the date of such action by the State of California.

Section 13. Harassment. Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS (including a subsidiary of either) employee Officer, Director, committee member or volunteer, or any other representative and/or personnel in the performance of their duties and obligations on behalf of the Association and/or MLS) (or subsidiary), after an investigation in accordance with the procedures of the Association, in accordance with all applicable Association and/or MLS policies, procedures, rules, regulations and guidelines and applicable law. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The Investigation will be conducted by HR and/or the Association's legal counsel. The decision on the appropriate disciplinary action to be taken shall be made by the Association President, CEO and the President-

Elect, in accordance with the applicable Association and/or MLS policies, procedures, rules, regulations and guidelines and applicable law, and , upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the association's code of Ethics and Arbitration Manual. If the complaint names the President or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest-ranking officer not named in the complaint.

ARTICLE VII - PROFESSIONAL STANDARDS and ARBITRATION

Section 1. Code of Ethics and Arbitration Manual. The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the Code of Ethics and Arbitration Manual of the State Association, 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. Duties and Responsibilities. It shall be the duty and responsibility of every REALTOR® member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the National Association, and to abide by the Code of Ethics of the National Association, including the duty to⁵mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.

Section 3. Enforcement and Discipline. The Association and Association members are also responsible for the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

Section 4. Binding Arbitration. By becoming and remaining a member, every member binds her/himself and agrees to submit to arbitration by the arbitration facilities of the State Association any dispute with a member of any other local Association affiliated with the State Association provided:

A. Bylaws of the other member Board contain a provision similar to this, and

⁵ Revised by Board of Directors 12/14/12

- B. the State Association has established arbitration facilities capable of handling the dispute. In lieu of submitting to arbitration facilities of the State Association, arbitration may be held under Article 17 of the Code of Ethics of the National Association.

Section 5. Implementation. The Association may adopt administrative procedures to carry out the intent of this article consistent with the Code of Ethics and Arbitration Manual of the National Association.

ARTICLE VIII - USE of the TERMS REALTOR® and REALTORS®

Section 1. Authority. Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association 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, 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. REALTOR® members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® members in good standing. No other class of members shall have this privilege.

Section 3. REALTOR® Principal Members. A REALTOR® member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® members of the Association or Institute Affiliate members as described in Article IV.

In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 4. Institute Affiliate Members. Institute Affiliate members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the National Association.

ARTICLE IX - STATE and NATIONAL MEMBERSHIPS

- Section 1. Membership.** The Association shall be a member of the National Association and the State Association. By reason of the Association's membership, each REALTOR® member of the member Association shall be entitled to membership in the National Association 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 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. Exclusive Property Rights.** The Association recognizes the exclusive property rights of the National Association in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.
- Section 3. Code of Ethics.** The Association adopts the Code of Ethics of the National Association and agrees to enforce the Code among its REALTOR® members. The Association and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the State Association.

ARTICLE X - DUES and ASSESSMENTS

Section 1. Fees.

- A. **Application Fee.** The Board of Directors may adopt an application fee for REALTORS® and all classes of non-voting members in reasonable amount, not exceeding three times the amount of the annual dues for applicable to membership, which shall be required to accompany each application, and which shall become the property of the Association upon final approval of the application.
- B. **Processing Fee.** In addition to the provision in 1.A. above, there shall be an application processing fee for each new REALTOR® and Affiliate member as adopted by the Board of Directors of the State Association.

Section 2. Dues.

- A. **REALTOR® Members.** The annual dues of each Designated REALTOR® member shall be an amount established annually by the Board of Directors, plus an additional amount times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any Association in the state or a state contiguous thereto or Institute Affiliate

members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

For the purpose of this Section, a REALTOR® member of a member Association shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in the Constitution of the National Association. 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) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the Association on a form approved by the Association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, managing, counseling, appraising or arranging financing for 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®.

A REALTOR® with a direct or indirect ownership interest in an entity in the real estate business which provides services for which a Mortgage Loan Originators license endorsement (MLO) is required may annually file with the association, on a form approved by the association, a list of the MLO licenses and certify that the listed licensees (1) have a MLO license or endorsement, (2) are not engaged in real estate licensed activities except for those which an MLO is required, and (3) are not participants or subscribers in any Multiple Listing Service. The individuals disclosed on such forms shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Article IX, Section 2 (b) and shall not be included in calculating the annual dues of the Designated REALTOR®.

(Adopted 12.13)

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) other than referrals, providing services for which a real estate license is required, other than those for which and MLO license is required, or being a participant or subscriber of any Multiple Listing Service, and dues for the current fiscal year shall be payable.

(Adopted 12.13)

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. **Institute Affiliate Members.** The annual dues of each Institute Affiliate member shall be an amount as established in Article II of the Bylaws of the National Association.

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 (\$105.00). The National Association shall credit \$35.00 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 \$35.00 amount will be credited to the COB, unless the Institute Affiliate member directs that the dues be distributed to the other board. The National Association shall also credit \$35.00 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.

- C. **Affiliate Members.** Dues shall be in such amount established annually by the Board of Directors.
- D. **Public Service Members.** Dues shall be in such amount established annually by the Board of Directors.
- E. **Distinguished Members.** Dues shall be in such amount established annually by the Board of Directors.
- F. **Student Members.** Dues shall be in such amount established annually by the Board of Directors.

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on or before the fifth (5th) day of January. Dues shall be paid at the

time application is made. Local Dues may be paid in installments as set forth in the Association Installment Agreement. Dues shall be prorated in a manner determined by the Board of Directors. Dues are non-refundable.

In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the Designated REALTORS® firm, the dues obligation of the "Designated" REALTOR® (as set forth in Article X.) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 4. Non-Payment of Financial Obligations.

- A. **Suspension.** In the event dues, fees, fines, charges, or other assessments for services owed to the Association are not paid within 45 days after the due date, the nonpaying member is subject to suspension at the discretion of the Board of Directors.
- B. **Termination.** In the event dues, fees, fines, charges, or other assessments for services owed to the Association are not paid 15 days after the date of suspension, membership of the non-paying member shall be automatically terminated. 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.

Section 5. Reinstatement.

- A. **Suspended Member.** A member who has had her/his membership suspended for nonpayment of dues, fees, fines, charges, or other assessments for services 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 be reinstated upon remittance of all accounts due as of the date of suspension plus a reinstatement fee. A report is to be provided to the Board of Directors.
- B. **Terminated Member.** A member who has had her/his membership terminated for nonpayment of dues, fees, fines, charges, or other assessments for services 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 only upon a new application for membership accompanied by a remittance of appropriate application fee. Current year dues shall not be prorated upon reinstatement.

Section 6. 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 7. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations. All dues, fees, fines, assessments, or other financial

obligations to the Association shall be noticed to the delinquent Association member in writing or by electronic notice, setting forth the amount owed and due date.

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

Section 9. Deadlines. If any deadline day is a Saturday, Sunday, or holiday, the deadline shall become effective at the end of the next full business day.

Section 10. Special Assessments. The Directors may levy special assessments only upon approval by the membership at a duly called election for this purpose.

6ARTICLE XI - DIRECTORS and OFFICERS

Section 1. 7DIRECTORS

A. **Powers.** Subject to the limitations of Articles of Incorporation, of the Bylaws and of the California General Corporation Law as to the action to be authorized or approved by the members, and subject to the duties of Directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business affairs of the Association shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers:

- (1) To select and remove all Trustees, Agents, Independent Contractors officers and employees of the Association, prescribe such powers and duties for them as are consistent with law, the Articles of Incorporation, and the Bylaws, fix their compensation or assign that duty to the Executive Vice President, except that the compensation of any Officer-Employee must be approved by the Directors or delegated to the Executive Review Committee if required by the terms of the Officer-Employee's Employment Agreement.
- (2) To conduct, manage and control the affairs and business of the Association as described in the Board approved Leadership Model, and to make such rules and regulations therefore consistent with law, the Articles of Incorporation, and the Bylaws as they deem best.
- (3) To change the principal office for the transaction of the business of the Association from one location to another within the same county as provided in Article I, Section 2, hereof; to fix and locate from time to time one or more subsidiary offices of the Association within or without the State of California for the holding of any member meeting or meetings, and to adopt, make and use a corporate seal and to alter the form of such seal from time to time, as in the judgment they may deem

⁶ Revised by membership 4/19/13

⁷ Revised by membership 4/19/13

best, provided such seal shall at all times comply with the provisions of the law.

- (4) To borrow money and incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefor. Board approval under this section 1.A.(4) shall require a 2/3 vote.
- (5) To make donations for the public welfare or for charitable, scientific or education purposes.
- (6) In the event of a dispute regarding the application or execution of Association policy or Board of Directors actions, the matter shall be reviewed and determined by the Board of Directors.

B. Number and Qualification of Directors. The composition of the entire Board of Directors shall be computed as follows and composed of the following twenty-seven (27) members, elected by the Board of Directors and/or membership as indicated below:

- (1) The President, President-Elect, Vice-President, Treasurer, and the two Immediate Past Presidents of the Association, collectively known as “the Officers” and shown in order of rank; and
- (2) The remaining Directors to be elected from the REALTOR® members of the Association, who are members in good standing, by the members.
- (3) To be eligible for the position of director of the Association, prior to the effective date of office, a member:
 - (a) must have been a Realtor® member, in good standing, (a member in good standing shall be defined in accordance with Association, rules, regulations, policies, and procedures adopted and from time to time amended and in effect), of any local association for the last five (5) years;
 - (b) must have been a REALTOR® member of the Association for minimum of two (2) full calendar years of the last three (3);
 - (c) must be a current REALTOR® member of the Association;
 - (d) must have served a minimum of at least two (2) full calendar years of the last three (3) as a member of a standing committee; and
 - (e) Must meet and satisfy all additional qualifications and requirements to be a director as set forth and described in the Board of Directors Format, job description and the Association Role, Qualifications and Duties of the Board of Directors adopted by the

Association as may be amended and in effect from time to time.

- (4) All Past Presidents, except the most recent two Immediate Past Presidents, and Honorary Directors of the Association who are present at a Directors' meeting and who are REALTOR® members of the Association, are invited to participate in Board meetings in an advisory capacity without voting rights. Notwithstanding the foregoing, no person who is not a current member of the Board of Directors or officer shall participate in executive session, unless and only to the extent necessary to provide information germane to the particular issue under discussion. In that event, such participation shall be limited solely to the period necessary to provide such the information; and the person shall not be present during or participate in any further executive session deliberations or discussions.

C. Election and Term of Office.

- (1) The Directors (excluding the elected officers) shall be elected yearly by the members.
- (2) The Officers and Directors appointed and elected under Section B.(1), above, shall serve one-year terms, except for the Treasurer who shall be elected by the Board of Directors and shall serve a term of two (2) consecutive years. The Directors to be elected under Section B.(2). above, shall serve two-year terms, their terms to be staggered so that one-half will be elected each year.
- (3) The term for all elected Directors shall be the calendar year. All Directors shall hold office until their respective successors are elected and/or qualify.
- (4) If any Director serves two consecutive two-year terms, she/he will not be eligible for another term until one year has elapsed since her/his last term as Director. Serving as an Officer does not constitute a term as a Director for purposes of this Section.
- (5) A candidate for election shall only be placed on the ballot for one position at a time in any annual or special election.
- (6) The Board of Directors may suspend any election or appointment with a super-majority vote, only in the event of a "world-wide crisis", defined as one which has been deemed to cause global health and/or safety concerns, and has resulted in mandated stay-at-home orders and the shutdown of local, state, and national economies, if the Board has determined, in its sole discretion, that such suspension will be the only way to preserve and protect the strategic direction, financial health and wellbeing of the Association.

- D. ⁸Vacancies.** Vacancies among the Officers and the Board of Directors shall be filled by appointment of the President with approval of the Board of

⁸ Approved by membership 8/30/12

Directors, in accordance with Association, rules, regulations, policies, and procedures adopted and from time to time amended and in effect. A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of death, by election to another office, resignation, or removal of any Director, or if the authorized number of Directors be increased. ¹⁴ The members may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board of Directors or the members shall have the power to elect a successor to take office when the resignation is to become effective, provided that Officers may only be elected by the Board of Directors.

¹⁴No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of her/his term of office.

E. Removal of Directors and Officers.

- (1) Code of Ethics Violations. Any member of the Board of Directors (or officer) subject to having their name published because of violations of the Code of Ethics per NAR guidelines shall be removed from the Board of Directors. The effective date of termination shall be after the Board of Director's ratifies the hearing panel's findings of facts and after the appeal period has expired.
- (2) Code of Ethics Involving Public Trust. Any member of the Board of Directors (or officer) found in violation of the Code of Ethics involving a matter that must be referred to the California Department of Real Estate (i.e., a violation of public trust) shall be removed from the Board of Directors. The effective date of termination shall be after the Board of Directors ratifies the hearing panel's findings of facts and after the appeal period has expired.
- (3) Disqualification & Incapacity. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties upon which he/she is elected due to "Disqualification" or "Incapacity", as determined in accordance with Association, rules, regulations, policies, and procedures adopted and from time to time amended and in effect, but will not resign from office voluntarily, such Officer or Director may be removed from office under the following procedure:
 - (a) A petition requesting the removal of any member of the Board of Directors shall specifically set forth the reason(s) that officer or director is deemed to be disqualified from further service.
 - (i) Such petition requesting the removal of a Director (a "Director Petition") shall be signed by not less than 5% of the eligible voting membership of the Association, or a vote of two-thirds (2/3) of the authorized number of Directors and shall be filed with the President. If the President is the subject of the petition for removal, such petition shall be filed with the President-Elect.
 - (ii) Such petition requesting the removal of an Officer (an "Officer

Petition”) shall be signed by not less than two-thirds (2/3) of the authorized number of directors and shall be filed with the President. If the President is the subject of the petition for removal, such petition shall be filed with the President-Elect. Any removal of an Officer shall only be voted on and made by the Board of Directors, in accordance with Association, rules, regulations, policies and procedures adopted and from time to time amended and in effect,

- (b) Upon receipt of a Director Petition, and subject to delivery of proper notice as provided in Section (3) (c) below, not less than thirty (30) days or more than seventy-five (75) days thereafter, a special election of the eligible voting membership of the Association shall be held. The sole purpose of the election shall be to decide whether or not the director shall be deemed Disqualified or Incapacitated and removed from office.
 - (c) The special election shall be noticed to the eligible voting membership of the Association at least thirty (30) days prior to the election and shall be conducted by the President of the Association. If the President is the subject of the special election, the President-Elect shall conduct the special election. A two-thirds vote of members casting votes shall be required for removal from office. The removal date shall be deemed effective upon ratification of the Board of Directors.
- (4) Failure to Attend Board Meetings. Any member of the Board of Directors who fails to attend and be present, in accordance with Association, rules, regulations, policies, and procedures adopted and from time to time amended and in effect, for three (3) or more meetings shall be removed from the Board of Directors, as provided in Article XI, Section 1.E(9) below. “Present” shall be defined as being in attendance for two-thirds of the scheduled meeting time.
 - (5) ¹⁵Failure to comply with Rules and Regulations. Any member of the Board of Directors who knowingly fails to comply with the Code of Conduct, the Confidentiality Policy or the Conflict-of-Interest Policy shall be removed from the Board of Directors, as provided in this Article XI, Section 1.E.(9) below.
 - (6) Self-Dealing. Any member of the Board of Directors who engages in self-dealing as defined in California Corporations Code section 5233, as provided in this Article XI, Section 1.E(9) below.
 - (7) Fiduciary Duty. Any member of the Board of Directors who violates their Fiduciary Duty as defined in California Corporations Code section 309(a), as provided in this Article XI, Section 1.E(9) below.
 - (8) Harassment. Any member of the Board of Directors who receives a complaint for Harassment may be removed from office in accordance with Article VI, Section 13.

- (9) Any removal pursuant to the Article XI, Section 1.E.(4), 1.E.(5), 1.E.(6) or 1.E.(7) above shall be subject to independent review by a hearing panel appointed by the Executive Committee and composed of two (2) Executive Committee members, the sitting President, and two (2) Past Presidents. The sitting President shall preside over the hearing panel. In the event that any panel member is the subject of the hearing, or has a conflict of interest, that panel member shall be disqualified from serving on the panel. In the event the sitting President is disqualified pursuant to this section, the President-Elect shall serve in their place.
- (a) ¹⁵The hearing shall be conducted in a manner generally consistent with the procedures established in the Code of Ethics and Arbitration Manual of the board except as specifically provided herein or as otherwise provided in the Board of Directors Format and in accordance with Association, rules, regulations, policies, and procedures adopted and from time to time amended and in effect.
- (b) ¹⁵If the hearing panel determines that the Director or Officer has violated the provisions of Section 1.E.(4), 1.E.(5), 1.E.(6) or 1.E.(7), the panel shall present its findings of facts to the Board of Directors along with its disciplinary recommendation, to include, but not be limited to, removal from office or suspension, including any and all committees, task forces, or working groups, in accordance with Association, rules, regulations, policies, and procedures adopted and from time to time amended and in effect.
- (c) ¹⁵The effective date of termination shall be after the Board of Directors modifies or ratifies the hearing panel's findings of facts. There will be no appeal.
- (10) In the event any Director/Officer who is the subject of a complaint, subsequently resigns prior to a hearing date, the panel shall still conduct a hearing as prescribed in this section E, and present the hearing panel's findings of facts to the Board of Directors for modification or ratification and a copy of the complaint, findings of facts and the Board of Directors final decision shall be entered into the Director/Officers personnel file. This section shall not apply in the event the subject of removal is pursuant Article XI, Section 1(E)(4).
- (11) A copy of any action, complaint, petition, findings of facts and the Board of Director's or panel's final decision, if any, under this Section, shall be entered into the Director/Officers personnel file, subject to legal counsel's advice.

F. **Regular Meetings.** Regular meetings of the Board of Directors shall be held at such times and place as may be designated from time to time by resolution of the Board of Directors.

G. **Special Meetings.** Special Meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President or if she/he is absent, unable or refuses to act, by a majority of the Directors. Written notice of the time and place of special meetings shall be delivered personally to each

Director by mail, e-mail, fax, or other form of written communication, charges prepaid, addressed to the Director at her/his address as it is shown upon the records of the Association. Notice by mail shall be sent first class and deposited at least four (4) days before the date of the special meeting. Notice by email or fax shall be sent at least forty-eight (48) hours prior to the time of the meeting. Such mailing, or notification as above provided shall be due, legal, and personal notice to such Directors.

- H. **Notice of Adjournment.** Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place was fixed at the meeting adjourned.
- I. **Waiver of Notice.** The transactions at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had a meeting been duly held after regular call and notice, if a quorum be present and if either before or after the meeting, each of the Directors not present signs a written waiver of notice of the meeting thereof. All such waivers, consents, or approval shall be filed with the corporate records or made part of the minutes of the meeting.
- J. **Action by Consent.** Any action required or permitted to be taken by this Board of Directors may be taken without meeting, if all members of the Board of Directors, shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.
-
- K. **Quorum.** Except as otherwise specifically set forth in these Bylaws, a majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn, as hereinafter provided shall be counted to determine a quorum. ⁹Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by the Board of Directors, required by law, or required by Articles of Incorporation. A two thirds (2/3) majority shall be required for the Directors to endorse a political candidate or a public issue. Notwithstanding the foregoing, a two-thirds (2/3) majority of the authorized number of Directors shall be necessary to constitute a quorum for the election of Officers, as provided in Section 2.C. below.
- L. **Visitors.** Members may attend any meetings of the Board of Directors except for Executive Sessions.
- M. **Adjournment.** A quorum of the Directors may adjourn any Directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum a majority of the Directors present at any Directors meeting, either regular or special, may adjourn from time to time until fixed for the next regular meeting of the Board of Directors.

¹⁵ Approved by membership 8/30/18

⁹ Approved by membership 8/30/12

- N. **Fees and Compensation.** Directors and members of committees may not receive compensation for their services unless such compensation is fixed and determined by resolution of the Board of Directors.

Section 2. ¹⁰OFFICERS

- A. **Officers.** The Officers of the Association shall be the President, who shall be the person who was the President-Elect during the preceding year, the President-Elect, the Vice-President, the Treasurer, the two most recent Immediate Past Presidents, and the Executive Vice President who may also be the Secretary.

- B. **Qualifications.** To be eligible for an officer position of the Association, the person must have completed three (3) full years of service out of the last 5 years on the Board of Directors prior to the year for which he or she is nominated for office.

- (1) Must meet and satisfy all additional qualifications and requirements to be an Officer as set forth and described in the Board of Directors Format, job description and the Association Role, Qualifications and Duties of the Board of Directors adopted by the Association as may be amended and in effect from time to time.

- C. **Election.** The Officers of the Association other than the Executive Vice President and Secretary, President and the two most recent Immediate Past Presidents serving as such shall be elected by the sitting Board of Directors in accordance with the following procedures:

- (1) All interested and qualified candidates must declare which position they are a candidate for and complete and deliver the application and all required forms as provided in the Nomination and Election Guidelines to the Nominating/Election Committee, not less than thirty (30) days prior to the June Board of Directors meeting each year.

- (2) Officer candidates who are determined to meet the qualifications will be presented to the Board of Directors for acceptance as candidates at the June Board of Directors meeting. All candidates who have been accepted by the Board will then have approximately thirty (30) days to run for office until the July Board of Directors meeting.

- (3) At the July Board of Directors meeting, the Board of Directors will elect the Officers for each position in accordance with the following procedure:

- a. Two-thirds (2/3) of the authorized number of Directors must be present in order to constitute a quorum for the election of Officers at the July Board meeting. In the event a quorum is not present, the meeting will be rescheduled every three business days until a quorum is established. This will be considered an official Board meeting, and as such, all Board members will be subject to the attendance requirements set forth and approved in the format.

¹⁰ Revised by membership 4/19/13

- b. All votes cast by the Board will be done by secret ballot in accordance with the procedures set forth in the Nomination and Election Guidelines.
 - c. A candidate must receive two-thirds (2/3) of the votes from the Directors present in order to be elected.
 - d. If more than one candidate is running for the same office, and no single candidate receives two-thirds (2/3) of the votes from the Directors, the two candidates receiving the highest votes will run again in a runoff. A runoff will occur up to a maximum of two more times in an effort for one candidate to receive two-thirds (2/3) of the votes.
 - e. If after the second runoff no candidate receives two-thirds (2/3) of the votes, the votes each candidate received from the initial vote and the two subsequent runoff votes will be totaled, and the candidate receiving the highest number of votes will be elected to the office.
- (4) Each Officer of the Association shall hold office until she/he resigns, is removed, disqualified to serve, or her/his successor is elected.
- D. **Removal.** See Article XI. Removal of Directors and Officers.
- E. **Resignation.** Any Officer may resign at any time by giving written notice to the Board of Directors, to the President or to the Executive Vice President/Secretary of the Association. Such resignation shall take effect upon acceptance of the Board of Directors.
- F. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by appointment of the President with approval of the Board of Directors.
- G. **Chair of the Board.** The Chair of the Board shall be the President, who shall preside at all meetings of the Board of Directors and exercise and perform such powers and duties as may be from time to time assigned to the Chair by the Board of Directors or prescribed by the Bylaws.
- H. **President.** The President shall be the Chair of the Board of the Association and shall, subject to the direction of the Board of Directors, have general supervision, direction and control of the business and meetings of the members and all meetings of the Board of Directors. The President shall be an ex-officio non-voting member of all committees and shall have such other powers and duties as may be prescribed by the Board of Directors, Association policies and job descriptions and/or the Bylaws. The President is the spokesperson for the Association. Spokesperson authority may be given to other Directors, Officers, or staff by the President according to policy established by the Association. The President may appoint Presidential Advisory Groups.
- I. **Executive Vice President.** The Executive Vice President shall be the Chief Executive Officer of the Association and shall be appointed by the Board of Directors. The Executive Vice President shall, consistent with the approved

Leadership Model: plan, direct and supervise the professional and clerical employees of the Association; oversee all operational functions and administrative policies of the Association and administer the budget in conjunction with the Treasurer. The Executive Vice President shall be the principal liaison officer with other local real estate boards, the State Association, and the National Association. The Executive Vice President may serve under written contract providing such contract not be for a period exceeding seven (7) years. The Executive Vice President must attend all Board of Directors meetings unless excused by the Board of Directors and shall be an ex-officio non-voting member of the Executive Committee. In addition to the President, the Executive Vice President or designee is also authorized to serve as the spokesperson for the Association. The Executive Vice President shall serve as the Chief Executive Officer of the SDMLS with no additional compensation.

- J. **President-Elect.** In the absence, disqualification or disability of the President, the President-Elect shall perform all the duties of the President, also serving as President during the term for which the President-Elect was elected. The President-Elect shall be a member of the Executive Committee, a member of the Budget and Assets Committee, and shall be chair of the Strategic Planning Committee during the year of service as President-Elect. The President-Elect shall be an ex-officio non-voting member of all other committees and have such other powers and duties as may be prescribed by the Board of Directors, Association policies and job descriptions and/or the Bylaws.
- K. **Vice-President.** The Vice-President shall be a member of the Executive Committee and the chair of the Membership Committee. The Vice-President shall have other such powers as may be prescribed by the Board of Directors, Association policies and job descriptions and/or the Bylaws.
- L. **Secretary.** Unless otherwise appointed by the Board of Directors, the Executive Vice President shall serve as the Secretary of the Association. The Secretary shall cause to be kept at the principal office or such other place as the Board of Directors may order, a record of minutes of all meetings of the Board of Directors and members, with the time and place holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Director's meetings, the number of members present at members' meetings, and the proceeding thereof. The Secretary shall keep membership records containing the name and address of each member and showing the class of her/his membership. Termination of any membership shall be recorded together with the date on which the membership ceased.

The Secretary shall cause to be given, notice of all meetings of the members and of the Board of Directors required by the Bylaws or by law. The Secretary shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

- M. **Treasurer.** The Treasurer shall serve a term of two (2) consecutive years. The Treasurer shall be a member of the Executive Committee, and chair of the Budget and Assets Committee. The Treasurer shall oversee and ensure to be

kept and maintained adequate and correct account of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. The book of accounts shall upon reasonable notice be open to inspection by any eligible voting member.

The Treasurer shall oversee and ensure to be deposited all monies and other valuables in the name and to the credit of the Association in accordance with policies established by the Board of Directors. The Treasurer shall oversee and ensure the disbursement of funds of the Association as may be ordered by the Board of Directors and shall upon request render to the President and Directors, an account of transactions as Treasurer and of the financial condition of the Association. The Treasurer shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

- N. **Stipends & Reimbursements.** Officers may receive stipends & reimbursements as determined by resolution of the Board of Directors.

Section 3. ¹¹ELECTION PROCEDURE

- A. **Nominations.** A Nominating/Election Committee of a minimum of seven (7) members, including the chair, shall be appointed by the President with the approval of the Board of Directors. The two Immediate Past Presidents serving as Officers shall be members of this committee unless he or she is running for office as an Officer or a member of the Board of Directors. The President-Elect will be an ex-officio member of the committee without a vote, but able to participate in discussions. The application process shall commence at least ninety (90) days prior to the Annual Election. At least sixty (60) days prior to the Annual Election by the members, the Nominating/Election Committee shall interview all candidates running for a Director seat and recommend candidates for endorsement to run for a Director seat to the Board of Directors. The candidates should be selected based upon objective criteria established by the Nominating/Election Committee. The committee should also endeavor to select candidates from differing geographical locations. All voting for candidate positions by the Nominating/Election Committee is to be conducted by secret ballot. The report of the Nominating/Election Committee shall be presented to the Board of Directors and upon acceptance, shall be noticed to each REALTOR® member in writing by mail or electronic delivery, at least fifteen (15) days prior to the election date. The election date is the last day the ballots are due. All candidates must adhere to the Board approved election calendar and election policies and procedures. Additional candidates may be placed in nomination by a petition filed with an Officer of the Association at least thirty (30) days before the election, signed by at least 2% of the REALTOR® members eligible to vote.
- B. **Use of Ballots.** Every issue requiring a vote by the members may be conducted by a ballot distributed to every member entitled to vote on the matter. Such ballot shall set forth the candidate and proposed action, provide an opportunity to specify approval or disapproval of any candidate or proposal, and provide a reasonable time in which to return the ballot to the Association. The Nominating/Election Committee shall adopt appropriate administrative procedures governing the use of ballots, which procedures shall incorporate

Sections 7513 and 7514 of the California Corporation Code and shall be subject to ratification by the Board of Directors.

¹¹ Revised by membership 4/19/13

ARTICLE XII - MEETINGS of MEMBERS

- Section 1. Annual Meetings.** The annual meeting of the Association shall be held by December 31st of each year, the date, place, and hour to be designated by the Board of Directors. At such meeting, Officers and Directors shall be announced as elected, reports of the affairs of the Association shall be considered, and any other business may be transacted which is within the powers of the members, except that action shall not be taken on any of the following proposals unless written notice of the general nature of the business or proposals has been given as in case of a special meeting, even though notice of regular or annual meetings is otherwise dispensed with: (a) a proposal to sell, lease, convey, exchange, transfer or otherwise dispose of all or substantially all of the property or assets of the Association under Section 3900 of the California Corporations Code; (b) a proposal to merge or consolidate with another corporation, domestic or foreign; (c) a proposal to amend the Articles of Incorporation; and (d) a proposal to wind up and dissolve the Association.
- Section 2. Meetings of Directors.** The Board of Directors shall designate a regular time and place of meetings. A regularly scheduled meeting may be cancelled at the discretion of the President upon approval of the Board of Directors provided no two consecutive meetings are cancelled.
- Section 3. Other Meetings.** Meetings of the members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least 3% of the members eligible to vote.
- Section 4. Notice of Meetings.** Written or electronic notice of each annual or special meeting of members shall be given to every member entitled to participate in the meeting not less than ten (10) nor more than ninety (90) days preceding all meetings to each member who, on the record date for notice of the meeting, is entitled to vote; provided, however, that if notice is given by mail and the notice is not mailed first class, registered or certified mail, the notice shall be given not less than twenty (20) days preceding the meeting. Notice shall be written or in electronic form and shall state the place, date, and time of the meeting and (i) in case of a special, the general nature of the business to be transacted, and (ii) in the case of a meeting at which Directors are to be elected, the names of all those who are nominees at the time the notice is given to members. Notice shall be given either personally or by mail or other means of written or electronic communication, addressed to the member at the mailing or electronic address of such member appearing on the books of the Association or given by the member to the Association for the purpose of notice; or if no such address appears or is given, at the place where the principal office of the Association is located or by publication at least once in a newspaper of general circulation in San Diego County. If a special meeting is called, it shall be accompanied

by a statement of the purpose of the meeting. All notices referred to in these Bylaws may be given, in addition to other means provided, by electronic communications mail to the fullest extent permitted by law.

Section 5. Adjourned Meetings and Notices Thereof.

- A. **Majority Vote.** Any member meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by vote of a majority of the voting members, but in absence of a quorum no other business may be transacted at such meeting.
- B. **No Notice Required.** When a meeting of the members is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Association may transact any business which might have been transacted at the original meeting. If the adjournment is for more than forty-five (45) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member of record entitled to vote at the meeting.

Section 6. Quorum. The presence (a) in person or (b) by written ballot solicited, completed, and received in accordance with the Bylaws, and the administrative procedures governing the use of such ballots, of three (3) percent of the members eligible to vote for any purpose shall constitute a quorum for the transaction of business.

ARTICLE XIII – COMMITTEES, TASK FORCES and ADVISORY GROUPS

Section 1. Standing Committees. In addition to the Board of Directors, the Association shall have the following standing committees:

- | | | |
|-------------------|-----------------------------|------------------------------|
| •Budget & Assets | •Government Affairs | •Membership |
| •Bylaws | •Grievance* | •IT & Business Technology |
| •Caravan HUB | •Grievance* | •Nominating & Election |
| •CRASD | •Housing Opportunities | •Professional Standards* |
| •Education | •International | •REALTORS® Political Affairs |
| •Events | •Leadership Advancement | •Risk Management |
| •Executive | & Development | •Strategic Planning |
| •Executive Review | •Marketing & Communications | •YPN |
| •Facilities | •Mediation | |

* Members of committees designated by an asterisk shall serve three- year staggered terms. The Board of Directors may appoint other standing committees, as appropriate or necessary, to meet the objectives of the Association. The President shall appoint, subject to confirmation by the Board of Directors, the chairs of the standing committees. The President-Elect shall appoint the vice chairs of the standing committees, subject to confirmation by the Board of Directors. The committee chair shall interview and makes recommendations to the President & President-Elect to select committee members subject to approval by the Board of Directors.

¹² Revised by Board of Directors 5/10/12

Section 2. Executive Committee.

- A. **Authority.** The Executive Committee shall be subject to the same directives which govern the Board of Directors and shall be advisory to the directorate and the President. It shall conduct the affairs of the Association in accordance with the policies and instructions of the Board of Directors. The Executive Committee shall meet at the call of the President. The Executive Committee shall have the authority to act on behalf of the Association when required between Directors' meetings. All actions taken by the Executive Committee on behalf of the Association which, except due to urgency, would normally be Directors' actions, shall be reported at the next Board of Directors meeting, unless advised otherwise by legal counsel.
- B. **Members.** The Executive Committee shall be composed of the following members: President (Chair), President-Elect (Vice-Chair), Vice-President, Treasurer, and the two most recent Immediate Past-Presidents. The President shall appoint two additional members to the Executive Committee. Included on this committee shall be the Executive Vice President and Secretary as non-voting member(s).

Section 3. Executive Review Committee. The Executive Review Committee shall be composed of the following members: President (Chair), President-Elect, (Vice-Chair), Immediate Past President, Immediate Immediate Past President and the Treasurer. This committee shall be governed by the Committee Format as approved by the Board of Directors and may be limited in reporting their decisions based on the terms of the Employee-Officer's Employment Agreement.

Section 4. Special Committees (Ad Hoc), Advisory and Working Groups. The President may appoint, subject to confirmation by the Board of Directors, special committees, advisory or working groups as deemed necessary. All groups created under this Article 13, Section 4, shall terminate at the end of each President's term.

Section 5. Task Forces. The President shall annually appoint, subject to confirmation by the Board of Directors, task forces as necessary. All task forces created under this Article 13, Section 5, shall terminate at the end of the President's term.

Section 6. Additional Committee Appointments. The President may appoint Institute Affiliate, Affiliate, Public Service, Distinguished, Honorary and Student members, subject to confirmation by the Board of Directors, to serve as non-voting members on standing committees, special committees, task forces and working groups as long as the majority of the committee, task force and working group is composed of REALTOR® members. The President may appoint, subject to confirmation by the Board of Directors, task forces as deemed necessary.

Section 7. Ex-Officio Committee Members. The President, President-Elect and Executive Vice President shall be ex-officio non-voting members of all committees, task forces and working groups, and shall be notified of their meetings. In addition, Association members appointed by the

National Association, the State Association, or the Association to serve on State Association or National Association committees shall be included as ex-officio members on the Association's counterpart committees. All ex-officio members shall be non-voting members and shall not be considered when determining a quorum, except as may be approved by the Board of Directors.

Section 8. Organization. All committees shall be of such size and shall have such duties, functions, and powers as assigned by the President and confirmed by the Board of Directors except as otherwise provided in these Bylaws.

Section 9. Committee Format. Each committee shall have a format delineating its authority, purpose, operational rules, procedures, and makeup, which has been approved by the Board of Directors. All committee formats and changes in format will be submitted to the Bylaws Committee for review prior to submission to the Board of Directors for approval at their next convened meeting.

Section 10. Non-Delegable Power. No committee, including the Executive Committee, however composed, shall have the authority to take any of the following actions:

1. Take any actions that require a member vote;
2. Fill vacancies on the Board or in any committee which has the authority of the Board;
3. Fix compensation of the directors for serving on the Board or any committee;
4. Amend or repeal any Bylaws, or adopt new Bylaws;
5. Amend or repeal any resolution of the Board which by its express terms is not amendable or repealable;
6. Appoint committees of the Board or the members thereof;
7. Expend corporate funds to support a nominee for director after there are more people nominated for director than can be elected; or
8. Approve any self-dealing transactions as such transactions are defined in California Corporation Code #5233, except as provided in California Corporation Code # 5233(d).

Section 11. Commercial Division.

A. **The Commercial Division.** There shall be a separate Division of the Association (the "Commercial Division") for members who are actively involved in the field of commercial real estate. The primary purpose of the Commercial Division shall be to interact and coordinate Association commercial activities and initiatives with the Commercial Real Estate Alliance of San Diego, Inc., a California Nonprofit Mutual Benefit Corporation ("CRASD").

- B. **Members.** Any member who satisfies the criteria for admission may join the Commercial Division. Membership criteria shall be under the purview and supervision of the Commercial Division Executive Committee, which shall establish reasonable criteria, relating to a member's commercial experience and business, for admission to the Commercial Division in its committee format.
- C. **Commercial Division Executive Committee.** The Commercial Division shall be operated by the Commercial Division Executive Committee. The Commercial Division Executive Committee shall be comprised of all of the members of the Board of Directors of CRASD, who shall include the elected officers of CRASD, the immediate past President of the CRASD Board of Directors, seven (7) members who shall be elected by the Commercial Division members and one (1) member appointed by the President of the Association. The Commercial Division Executive Committee format shall establish detailed election procedures for the CRASD elected Board members; provided, the election year for CRASD shall coincide with the election year for the Association.
- D. **Board Member of the Association.** The President of CRASD shall also serve as the Chairman of the Commercial Division Executive Committee and as such, shall serve as a Director of the Association Board of Directors as a voting member. The President of the CRASD, with the approval of the Commercial Division Executive Committee, may designate another member of the Commercial Division to serve in the President's place on the Association Board of Directors.
- E. **Budget.** The Commercial Division Executive Committee shall work together with the Association Chief Executive Officer and/or Chief Financial officer to establish an annual budget for the Commercial Division and CRASD.
- F. **Fund Raising and Education.** The Commercial Division shall jointly produce and hold separate fund raising and educational seminars with CRASD, focusing specifically on commercial issues.
- G. **CRASD Committees.** The Commercial Division Executive Committee shall coordinate the activities of certain CRASD committees (i.e., Governmental Affairs, Public Policy, etc.) with the corresponding Association committee, department, or responsible party.
- H. **Oversight of SDAR Board.** All decisions and policies of the Commercial Division shall be subject to approval and ratification by the Association Board of Directors, with appropriate deference to decisions of the Commercial Division Executive Committee where appropriate.

ARTICLE XIV - FISCAL and ELECTIVE YEAR

The fiscal year of the Association shall be the calendar year. The elective term shall be concurrent with the term of the calendar year.

ARTICLE XV - RULES of ORDER

Robert's Rules of Order, Newly Revised, current edition, shall be recognized as the authority governing the meetings of the Association, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI - AMENDMENTS

Section 1. Adoption Procedures. New Bylaws may be adopted or these Bylaws may be amended or repealed either by, (a) ballots as provided in Article XI –Directors and Officers, Section 3.C. Use of Ballots, or (b) a majority vote of the members present and qualified to vote at any election at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except as otherwise provided by law or by the Articles of Incorporation or these Bylaws.

Section 2. Power of Directors. Subject to the right of members as provided in section 1 of this Article to adopt, amend, or repeal Bylaws, the Board of Directors may adopt, amend, or repeal the Bylaws except in any of the following cases:

- A. Any Bylaw amending Article IV, VI, VIII, XI, XII, or XVI;
- B. Any action that would (i) materially and adversely affect the rights of members as to voting, dissolution, redemption, or transfer; (ii) increase or decrease the number of members authorized in total or for any class; (iii) effect an exchange, reclassification or cancellation of all or part of the memberships; or (iv) authorize a new class of membership;
- C. Any Bylaw specifying or changing a fixed number of Directors or the maximum or minimum number of changing from a fixed to a variable Board of Directors or vice versa;
- D. Any Bylaw provision increasing the terms of Directors;
- E. Any Bylaw providing that the Board of Directors may fill vacancies occurring in the Board of Directors by reason of the removal of Directors;
- F. Any Bylaw amendment to increase the quorum required at a meeting of members; or
- G. Any amendment of the Bylaws repealing, restricting, creating, or expanding proxy rights of members.

Section 3. Notices. Notice of all meetings at which amendments are to be considered shall be mailed or delivered to every member eligible to vote not less than ten (10) nor more than ninety (90) days prior to the meeting.

Section 4. Effective Date. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their

approval as authorized by the Board of Directors of the National Association of REALTORS®.

ARTICLE XVII - DISSOLUTION

Upon the dissolution or winding up of affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets within its discretion, to any other Association of REALTORS® or not for profit organization.

ARTICLE XVIII - MULTIPLE LISTING SERVICE CORPORATION(MLS)

Section 1. Authority. The Association of REALTORS® may maintain for the use of its members an MLS, which shall be a lawful corporation of the State of California, all of the stock of which shall be owned by this association of REALTORS®.

Section 2. Purpose. An MLS 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 appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information among the Participants 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. Governing Documents. The Board of Directors shall cause any MLS established by it pursuant to this Article to conform its corporate charter, constitution, Bylaws, rules, regulations, and policies, practices, and procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the National Association.

Section 4. Participation. Any REALTOR® member of this or any other Association who is a principal, partner, corporate officer, or branch office manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to MLS "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an Association MLS is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information

developed by or published by an Association MLS where access to such information is prohibited by law. (Amended 11/08)

NOTE: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm "offers or accepts cooperation and compensation" means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and 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. (Adopted 11/08)

Section 5. Conflicts. Whenever there may be a conflict between the provisions of the Rules and Regulations and the provisions of these Bylaws, the REALTOR® members of the Association shall be governed by these Bylaws, so long as they are not put at a disadvantage in transactions or controversies with non-member participating brokers and their affiliates.

Section 6. Non-Member Participatory Rights. A non-member applicant for MLS participation who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.* However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service "membership" or "participation" unless they hold a current,

valid real estate broker's license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law. (Amended 11/08)

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

Section 6. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

5/3/13:bg