

Delta Association of REALTORS®

Bylaws



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Any Amendments to these Bylaws by the Board of Directors shall take effect 45 days from the date of notification of Membership of the change(s)

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**BYLAWS of
the
DELTA ASSOCIATION OF REALTORS®, INCORPORATED**

ARTICLE I
NAME

Section 1. Name. The name of this organization shall be the Delta Association of REALTORS® Incorporated, hereinafter referred to as the "A.O.R." The term "Association" is used when referring to any Association of REALTORS®.

Section 2. REALTOR® Membership Mark in Name of Association Inclusion and retention of the registered collective membership mark "REALTORS®" in the name of the A.O.R. shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® (hereinafter "N.A.R.") as from time to time amended.

ARTICLE II
OBJECTIVES

Section 1. Objectives. The objectives of the A.O.R. are:

- (a) To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the professional and related interests. The "recognized branches of the real estate profession" include buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, building, developing or subdividing real estate.
- (b) To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of N.A.R. (hereinafter "Code of Ethics").
- (c) 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.
- (d) To further the interests of home and other real property ownership.
- (e) To unite those engaged in the real estate profession in this community with the CALIFORNIA ASSOCIATION OF REALTORS® (hereinafter "C.A.R.") and N.A.R. thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.
- (f) To designate, for the benefit of the public, those individuals within the state of California authorized to use the terms REALTOR®, REALTORS®, as licensed, prescribed, and controlled by N.A.R.

- (g) To Further the Strategic objectives of the Association.

ARTICLE III

NATIONAL AND STATE MEMBERSHIPS

Section 1. Association Membership in N. A. R. and C.A.R. The A.O.R. shall be a member of N.A.R. and C.A.R. as defined in the governing documents of N.A.R, and C.A.R. By reason of the A.O.R.'s membership in N.A.R. and C.A.R., each REALTOR® member of the A.O.R. shall be entitled to membership in N.A.R, and C.A.R. without further payment of dues. The A.O.R. shall continue as a member of N.A.R. and C.A.R. unless by a majority vote of all of its REALTOR® members the decision is made to withdraw, in which case N.A.R. and C.A.R. shall be notified in writing at least one month in advance of the date designated for the termination of the A.O.R.s membership.

Section 2. Ownership and Use of REALTOR Membership Marks. The A.O.R. recognizes the exclusive property rights of N.A.R. in the terms REALTOR® and REALTORS®. The A.O.R. may use the terms while it is a member in good standing of N.A.R. The A.O.R. shall discontinue use of the terms in any form in its name, upon ceasing to be a member of N.A.R., or upon a determination by the Board of Directors of N.A.R. that it has violated the conditions imposed upon use of the terms.

Section 3. Adoption & Enforcement of N.A.R. Code of Ethics; Compliance with N.A.R. & C.A.R. Governing Documents & Policies. The A.O.R. adopts the N.A.R. Code of Ethics and agrees to enforce the Code of Ethics among its REALTOR® members. The A.O.R. and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, Code of Ethics and policies of N.A.R. and C. A. R.

Section 4. Other Association Rules, Regulations & Policies The A.O.R. may adopt any Rules and Regulations or policies not inconsistent with the Constitution, Bylaws, Rules and Regulations, Code of Ethics, policies of N.A.R. and C.A.R. and these Bylaws. Any inconsistencies between the A.O.R.'s Rules and Regulations or policies and the Bylaws of the A.O.R. (hereinafter "Bylaws") shall be controlled by the Bylaws.

ARTICLE IV

JURISDICTION

Section 1. Description of Jurisdiction. The territorial jurisdiction of the A.O.R. as a member of N.A.R. is:

NORTHERN BOUNDARY: The North boundary line of the Delta Association of REALTORS® is that portion of the North Boundary Line of Contra Costa County lying along the Sacramento and San Joaquin Rivers between the points where the Delta Association Westerly boundary line intersects with the Contra Costa Association of REALTORS®, i.e., approximate area of the community of Nichols and the intersection of the Mokelumne River on the Eastern point.

EASTERN BOUNDARY: That portion of the East boundary line of Contra Costa County lying along the San Joaquin River between the points of intersection of the Mokelumne River on the North and the Contra Costa County South boundary to the intersection of the Byron Hot Springs Road.

SOUTHERN WESTERLY BOUNDARY: Starting from the intersection of Byron Hot Springs Road with the South boundary of Contra Costa County North Westerly in a straight line to the Northeast boundary line of the U.S. Naval Weapons Reservation at a corner located in Zone 111, California Coordinate System, approximately 1,585,000 feet East and 542,000 feet North, thence along such Northeast boundary of the U.S. Naval Reservation to the intersection of Willow Pass Road and the Arnold Industrial Highway, thence due North to the county line at Carquinez Straits, this line lying West of the community of Nichols, Including the communities of Bay Point, Discovery Bay, Pittsburg, Antioch, Oakley, Bethel Island, Knightsen, Brentwood, Byron, all within the County of Contra Costa, California. (Approved by N.A.R. November 13, 1973)

Section 2. Jurisdictional Rights. 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 the Bylaws and those of N.A.R., and to protect and safeguard the property rights of N.A.R. in those terms.

ARTICLE V

MEMBERSHIP. QUALIFICATION, APPLICATION AND ACCEPTANCE

Section 1. Classes of Membership. There shall be seven (6) classes of membership:

- (a) REALTOR® Members;
- (b) Institute Affiliate Members;
- (c) Affiliate Members;
- (d) Public Service Members;
- (e) Honorary Members
- (f) Student Members;

Section 2. Qualifications for REALTOR® Members.

2.1 REALTOR® members, whether primary or secondary, who are principals, (“Principals” are defined, herein and throughout these bylaws when this terminology is used, as sole proprietors, partners, corporate offices or branch office managers of real estate firms) shall:

- (a) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license; and
- (b) Act as a sole proprietor, partner, or corporate officer of a real estate firm or office manager of a real estate firm acting on behalf of the firm’s principal(s), and
- (c) Remain actively engaged in the real estate profession, (“engaged in the real estate professional” is defined, herein and throughout these bylaws when this terminology is used, as buying, selling, exchanging, renting or leasing, managing, counseling, appraising for others for compensation, building, developing or subdividing real estate); and

- (d) Maintain or be associated with, a real estate office located within the jurisdiction of the State of California or a state contiguous thereto; and
- (e) 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 within the past ten years where the crime was punishable by death or imprisonment in excess of one year under the law for which the applicant was convicted (ten years is measured from the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

2.2 REALTOR® members, whether primary or secondary, other than principals, partners, corporate officers, or branch office managers of real estate firms shall:

- (a) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license, and
- (b) Remain actively engaged in the real estate profession;
- (c) Remain employed by or affiliated as an independent contractor with a REALTOR® member who meets the requirements of Section 2.1 of this Article V for any Association in California or a state contiguous thereto; and
- (d) 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 within the past ten years where the crime was punishable by death or imprisonment in excess of one year under the law for which the applicant was convicted ten years is measured from the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

2.3 REALTOR® members may be franchise corporate officers under the following circumstances: franchise corporate officers of real estate brokerage franchise organizations with at least one hundred fifty franchisees located within the United States, its insular possessions, and the Commonwealth of Puerto Rico, may be elected to membership pursuant to the Constitution and Bylaws of N.A.R. (hereinafter "Franchise Corporate Officers"). Franchise Corporate Officers may or may not be licensed for California real estate broker salesperson or appraisal activities. Franchise Corporate Officers shall enjoy all of the rights, privileges, and obligations of REALTOR® membership, including compliance with the Code of Ethics, except obligations related to A.O.R. mandated education, meetings attendance, or indoctrination classes or other similar requirements, if any; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the A.O.R., C.A.R., and N.A.R.

2.4 Designated REALTORS®. Each firm shall designate in writing one "Designated REALTOR®" member who shall be responsible for the conduct of individuals affiliated with the firm and accountable to the A.O.R. for all duties and obligations of A.O.R. membership, including, but not

limited to, certification as set forth in Article VI, Section 13. The "Designated REALTOR®" must be the sole proprietor, partner, corporate officer, or office manager acting on behalf of the firm's principal(s) and must have the authority to bind the firm in arbitrations and must meet all the other qualifications for REALTOR® membership set forth in Article V, Section 2.1 of the Bylaws.

2.5 Association of Choice.

(a) Primary Membership. Licensees affiliated with a REALTOR® firm may choose as their "primary" Association any Association within California where the firm maintains a "Designated REALTOR®." An individual is a primary member of the A.O.R. if the A.O.R. pays C.A.R. and N.A.R. dues based on such member. One of the principals in a real estate firm must be a Designated REALTOR®, the A.O.R. in order for the licensees affiliated with the firm to select the A.O.R. as the "primary" Association.

(b) Secondary Membership. A REALTOR® who has joined another Association as a primary member may join this A.O.R. as a secondary member. There need not be a Designated REALTOR® member of this A.O.R. for licensees to select this A.O.R. as their secondary Association. The conditions for secondary membership shall be no more stringent than for primary membership, and the privileges of membership shall be the same including the right to vote and hold office.

2.6 Each sole proprietor, partner, or corporate officer of the real estate firm who is actively engaged in the real estate profession within California or within a state contiguous thereto shall be required to become a REALTOR® member if any other sole proprietor, partner, or corporate officer of such firm, partnership or corporation is a REALTOR® within those states. Each is required to hold REALTOR® membership individually in a local Association if they meet all the other qualifications set forth in Article V, Sections 2.1, 2.2, or 2.3 of the Bylaws (except as provided in Section 2.7). Each sole proprietor, partner, or corporate officer of the real estate firm or franchise corporate officers shall be ineligible for any class of membership other than REALTOR® membership unless they otherwise qualify for Institute Affiliate membership as described in Article V, Section 3.

2.7 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 profession in connection with the same office, or any other offices within the jurisdiction of the A.O.R. in which one of the firm's principals hold REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Article V, Section 3.

Section 3. Qualifications for Institute Affiliate Members.

Institute Affiliate members shall be individuals who hold a professional designation awarded by a qualified Institute, Society, or Council affiliated with the N.A.R. 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 vote or hold office. Any such

individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

Section 4. Qualifications for Affiliate Members.

- (a) Affiliate members shall be real estate owners and other individuals or firms engaged in activities related to the real estate profession, who do not qualify for REALTOR® membership. Affiliate members have interests requiring information concerning real estate and sympathy with the objectives of the A.O.R.
- (b) 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 sales brokerage of real property.

Section 5. Qualifications for Public Service Members. Public Service members shall be those members who maintain an interest in the real estate profession as employees or affiliates of educational, public utility, governmental or other similar organizations and are not engaged in the real estate profession on their own account or with an established real estate business.

Section 6. Qualifications for Honorary Members. Honorary members shall be those persons recognized by the Board of Directors as persons who have performed notable service for the real estate profession, for the A.O.R., or for the public though not engaged in the real estate profession.

Section 7. Qualifications for Student Members. Student members shall be students enrolled in an undergraduate or graduate degree program at an institution of higher education with a specialization or major in real estate, or who are seeking to obtain a real estate license or appraiser license but who are not eligible for REALTOR® membership.

Section 8. Membership Application.

- (a) Each applicant for membership shall submit an application in such manner and form as may be prescribed by the A.O.R Board of Directors (hereinafter “Board of Directors”) and give his or her consent that the Board of Directors, through the A.O.R. Membership Committee (hereinafter “Membership Committee”) or otherwise, may obtain information about the applicant from any member, other persons or Associations and that any information furnished to the Board of Directors by any member, person or Association shall not form the basis of any action for slander, libel or defamation of character. The Board of Directors, through its Membership Committee or otherwise, may consider the following in determining an applicant’s qualifications for membership:
 - (1) all final findings of N.A.R. Code of Ethics violations and violations of other membership duties in any other Association within the past three (3) years;
 - (2) pending ethics complaints or hearings;
 - (3) unsatisfied discipline pending;

- (4) pending arbitration requests or hearings;
 - (5) Unpaid arbitration awards or unpaid financial obligations to any other Association or Association Multiple Listing Service ("M.L.S.").
- (b) Applicants for membership shall be familiar with, and agree to abide by, the Bylaws and Rules and Regulations of the A.O.R., the Bylaws of C.A.R. and the N.A.R. Constitution, Bylaws and Code of Ethics, to the extent they are applicable, and pass such reasonable and nondiscriminatory written examination thereon as may be required by the Membership Committee or otherwise. Applicants must also complete an orientation program as may be required by the Board of Directors, its Membership Committee, or otherwise. An individual will be given the opportunity to complete any mandated orientation program remotely. An Applicant will be eligible only for the status of provisional membership (should be Board of Directors allow such status) until any mandatory orientation is timely satisfied and/or until the Board of Directors' approval of the application.
- (c) Applicants who are sole proprietors, general partners, corporate officers, designated REALTORS® or branch office managers (Section 2 of this Article V) of a real estate firm shall certify:
 - (1) they have no record of official sanctions rendered by the courts or other lawful authorities within the past three years for violations of
 - (a) civil rights laws;
 - (b) real estate license laws; or
 - (c) other laws prohibiting unprofessional conduct; and
 - (2) that they have not been suspended or expelled from an Association within the past three years for violations of the Code of Ethics.
- (d) Applicants who are sole proprietors, general partners, corporate officers, designated REALTORS®, or branch office managers (Section 2 of this Article V) of a real estate firm must disclose:
 - (1) whether they or their firms are subject to any pending bankruptcy proceedings; and
 - (2) whether they or their firms have been adjudged bankrupt within the past three years. If the applicant is a party to pending bankruptcy or insolvency proceedings or has been adjudged bankrupt within the past three years, the applicant may be required to pay cash in advance for A.O.R. and M.L.S. fees for up to one year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy, whichever is later. If the Board of Directors determines that such

prepayments will not protect the interests of the A.O.R. or its members, such applications may be rejected.

Section 9. Prior Membership Records. The A.O.R. may consider information received from other Associations and/or through C.A.R.'s Ethics Check database or otherwise in determining whether an applicant satisfies the A.O.R.'s membership requirements. The A.O.R. may request from any Association where the applicant held prior membership, minimum "core" information including:

- (a) All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years;
- (b) Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties;
- (c) Incomplete or pending disciplinary measures;
- (d) Pending arbitration requests (or hearings); and
- (e) Unpaid arbitration awards or unpaid financial obligations to the Association or its M.L.S.
- (f) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm

NOTE: Article IV, Section 2, of the N.A.R. Bylaws prohibits a Member A.O.R. from knowingly granting REALTOR® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Association for violation of the Code of Ethics, whether learned through C.A.R. Ethics Check or otherwise.

The A.O.R. will also consider all final findings of Code of Ethics violations and violations of other membership duties in this A.O.R within the past three (3) years

Section 10. Application Review and Acceptance. The procedure for acceptance to REALTOR® membership shall be as follows:

- (a) The Membership Committee shall or otherwise determine whether the applicant is applying for the appropriate class of membership. If the A.O.R. does not have a standing Membership Committee, the AOR's Executive Officer/staff may act in this capacity. The Membership Committee or A.O.R. staff may request "core" information as defined in Article V, Section 9, from any Association of which the applicant was previously a member. The Membership Committee or A.O.R. staff shall thereafter provide a written list for approval or recommend rejection of the applicant. If they recommend rejection, the Membership Committee or A.O.R. staff shall make a written report of its findings to the Board of Directors. The Membership Committee or A.O.R. staff shall consider the information permitted under Sections 8 and 9 of this Article in its review of an applicant and conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws.

- (b) If the recommendation is to reject the application, the reasons shall be specifically stated. If any member of the Membership Committee or A.O.R. staff submits a dissenting recommendation, it shall also be reported to the applicant and Board of Directors. The applicant shall also be notified of his/her right to appear before the Board of Directors.
- (c) The Board of Directors shall review the qualifications of the applicant and the recommendations of the Membership Committee or A.O.R. staff and then vote on the applicant's eligibility for membership. If the applicant appears, he/she may be represented by counsel, call witnesses on his/her behalf, and make such statements as he/she deems relevant. The Board of Directors may also have counsel present. If the applicant receives a majority vote of the Board of Directors, he/she shall be declared accepted as a member and shall be advised by written notice. An application for Institute Affiliate Membership shall be acted upon by the Board of Directors within forty-five (45) days from the date of application for membership.
- (d) If the Board of Directors determines that the application should be rejected, it shall record its reasons. 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 A.O.R. 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) The Board of Directors, through its Membership Committee or otherwise, may grant "provisional" membership to an applicant in instances where the applicant for membership has not yet satisfied any mandatory orientation and/or has unsatisfied discipline pending in another Association, provided all other qualifications for membership have been satisfied. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. The Board of Directors may reconsider the membership status of provisional members when all mandatory orientation is completed and/or when all unsatisfied discipline has been resolved or if such matters of unresolved discipline are not fully resolved within six (6) months from the date that provisional membership is approved. At the time of reconsideration, if the Board of Directors determines that the individual has not done his or her part to satisfactorily resolve the unsatisfied discipline, at the discretion of the Board of Directors, membership may be terminated.

Section 11. New Member Code of Ethics Orientation. Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics, meeting the minimum criteria established by N.A.R. for new member ethics training. 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 ninety (90) days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Section 12. Continuing Member Code of Ethics Training. Every three period, starting with the period from January 1, 2019, through December 31, 2021, and for successive three-year periods thereafter, each REALTOR® member of the A.O.R. shall be required to complete a course on the CODE of Ethics, meeting the minimum criteria established by N.A.R. for ethics training. This requirement will be satisfied upon presentation of documentation that the member has completed such course of instruction conducted by this or another REALTOR® to complete a course on the Code of Ethics, meeting the minimum criteria established by N.A.R. for ethics training. The requirement will be satisfied upon presentation of documentation that the member has completed such course of instruction conducted by this or another Association. Association, C.A.R., N.A.R., which meets the learning objectives and minimum criteria established by N.A.R. from time to time. REALTORS® members who have completed training as a requirement of membership in another Association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-year period commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty and will result in the suspension of membership for the first two months (January and February) of the year following the end of any three-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is suspended as of that date for failure to complete the training requirement will be automatically terminated.

Section 13. Status Changes.

- (a) REALTORS® who change the conditions under which they hold membership shall be required to provide written notification to the A.O.R. within thirty (30) days. A non-principal REALTOR® who becomes a principal in the firm with which he/she has been licensed or, becomes a principal in a new firm which will be comprised of REALTOR® principals, may be required to satisfy any previously unsatisfied membership requirements applicable to principal REALTORS members. During the period of transition from one status of membership to another, such members shall be subject to all of the privileges and obligations of a principal REALTOR® member. The Board of Directors, at its discretion, may waive any qualification which the member has already fulfilled in accordance with the A.O.R.'s Bylaws. If the REALTOR® does not satisfy the requirements established in the A.O.R. Bylaws for the category of membership to which they have transferred within thirty (30) days of the date they advised the A.O.R. of their change in status, their application for change of status will terminate automatically unless otherwise so directed by the Board of Directors.
- (b) If the licensed status of any member is terminated, their membership in the A.O.R. shall be subject to immediate termination. If any member ceases to meet any other ongoing qualification of membership, their membership may be terminated by the Board of Directors. Each member shall have the affirmative duty to notify the A.O.R. of any changes in their licensee status.
- (c) 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. Dues shall be prorated from the

first day of the quarter in which the member is notified of acceptance by the Board of Directors and of their change in status and shall be based on the new membership status for the remainder of the year.

Section 14. Resignation. 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 A.O.R. for dues, fees, fines or other assessments of the A.O.R. or any of its services, departments, divisions or subsidiaries the A.O.R. may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

ARTICLE VI

PRIVILEGES AND DUTIES OF MEMBERSHIP

Section 1. Member Compliance with Bylaws, Policies Rules and Regulations It shall be the duty of every member of the A.O.R. to safeguard and promote the standards, interests, and welfare of the A.O.R. and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or REALTORS®. REALTOR® members also must abide by the governing documents and policies of the A.O.R, C.A.R., and N.A.R., as well as the Code of Ethics of N.A.R., including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics. Any member of the A.O.R. may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of the governing documents and policies of the A.O.R. If a hearing is required it shall be held in accordance with the California Code of Ethics and Arbitration Manual.

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

Although only REALTOR® members are subject to the Code of Ethics and its enforcement by the A.O.R., all members are encouraged to abide by the principles established in the Code of Ethics and conduct their business and professional practices accordingly. Further, any non-REALTOR® member may, upon recommendation of 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, reflects adversely on the real estate industry or the terms REALTOR®, REALTORS® or for conduct that is inconsistent with or adverse to the objectives and purposes of this A.O.R., C.A.R. or N.A.R.

Section 2. Member Discipline

- (a) Any member of the A.O.R. may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or M.L.S. employee officer or director after an investigation with the procedure of A.O.R. after a hearing in accordance with the procedures of the A.O.R. Any member of the A.O.R. also may be reprimanded, placed on probation, suspended or expelled for

harassment of another member of the A.O.R. during a meeting event or other A.O.R. – sanctioned activity after an investigation in accordance with the procedures of the A.O.R. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strike, 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 environment. The decision of the appropriate disciplinary action to be taken shall be made by an investigating team comprised of the President, President-Elect, and one member of the Board of Directors selected by the highest-ranking officer not named in the complaint, upon consultation with counsel for the A.O.R. Disciplinary action may include any sanction authorized in the California 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.

- (b) Any REALTOR® member of the A.O.R. 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 California Code of Ethics and Arbitration Manual, provided that the discipline imposed is consistent with N.A.R. policy as set forth in the *California Code of Ethics and Arbitration Manual*.

Section 3. Resignation with Pending Arbitration or Disciplinary Hearing. If a member resigns from the A.O.R. or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the A.O.R. with respect to the disposition of the complaint is final by this A.O.R. (if the 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 associations to terminate before an ethics compliance is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent’s resignation or membership termination, any discipline ratified by the Board of Directors shall be reported to Ethics Check and held in abeyance until such time as the respondent rejoins an Association of REALTORS®.

If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated provided that the dispute arose while the former member was a member.

Section 4. Voting Rights and Eligibility for Elective Office. Only REALTOR® members, whether primary or secondary, in good standing, are entitled to vote and to hold elective office in the A.O.R. Proxy voting is not allowed. For the purposes of these bylaws, the term “good standing” means the member satisfies the obligations of REALTOR® members set forth in Article VI, Section 1, is current with all financial and disciplinary obligations to the A.O.R. and MLS, has completed any new members requirements, and complies with N.A.R.’s trademark rules.

Section 5. Privileges and Duties of REALTOR® Members.

- (a) It shall be the duty and responsibility of every REALTOR® member of this A.O.R. to abide by the Constitution and Bylaws of C.A.R., the Constitution and Bylaws of N.A.R. and to abide by the Code of Ethics of the N.A.R.
as set forth in Article VI, Section 1 of these Bylaws.
- (b) REALTOR® members have the primary responsibility to safeguard and promote the standards, interests, and welfare of the A.O.R. and the real estate profession.
- (c) REALTOR® members in good standing may use the terms REALTOR® and REALTORS® subject to the provisions of Article VIII.
- (d) If a REALTOR® member who is a sole proprietor, principal in a firm, partner in a partnership, officer of a corporation, or branch office manager is suspended or expelled, his or her firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension or expulsion and the membership of all other principals, partners or corporate officers shall suspend or terminate during the period of suspension or expulsion, unless:
 - (1) the disciplined member severs his or her connection with the firm, partnership or corporation; or
 - (2) the disciplined member relinquishes management control of the firm.
- (e) The membership of REALTORS® who are employed or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension or expulsion unless:
 - (1) the disciplined member severs his or her connection with the firm, partnership, or corporation;
 - (2) the disciplined member relinquishes management control of the firm; or
 - (3) the non-principal REALTOR® member elects to sever his or her connection with the disciplined member and affiliates with another REALTOR® member in good standing in the Association.
- (f) If a REALTOR® member other than a sole proprietor, partner in a partnership, officer of a corporation or designated REALTOR®, or branch office manager is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, corporation shall not be affected.

- (g) Removal of an individual from any form or degree of management control must be certified to the A.O.R. by the disciplined member and by the individual who is assuming management control. The signatures on such certification must be notarized.
- (h) The foregoing is not intended to preclude a suspended or expelled member from functioning as an employee provided no management control is exercised.
- (I) In any action taken against a principal REALTOR® member for suspension or expulsion, 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 this Article VI, Section 5 shall apply.

Section 6. Privileges and Duties of Institute Affiliate Members. Institute Affiliate members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors consistent with the N.A.R. Constitution and Bylaws.

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® logo; to serve as President of the local association; or to be a participant in the local association's Multiple Listing Service.

(amended 01/02)

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

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

Section 9. Privileges and Duties of Honorary Members. Honorary membership shall confer only the right to attend meetings and participate in discussions.

Section 10. Privileges and Duties of Student Members. Student members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors.

Section 11. Certification by Designated REALTOR®. Designated REALTORS® shall certify to the A.O.R. during the first month of the fiscal year on a form provided by the A.O.R., a complete listing of all individuals licensed or certified under California law with the REALTOR® firm(s) and shall designate the primary association, if any, for each individual. These declarations shall be used for purposes of calculating dues and assessments under Article IX, Section 2 of these bylaws. Designated REALTOR® members shall also notify the A.O.R. of any additional individual(s) licensed or certified with the firm(s) and of any individuals whose affiliation with the firm is severed within thirty days of the date of affiliation or severance of the individual(s).

ARTICLE VII

PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. Professional Standards and Arbitration. The responsibility of the A.O.R. and its members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the *California Code of Ethics and Arbitration Manual*, as published and from time to time amended by C.A.R., which by this reference is made a part of these Bylaws.

Section 2. Member Compliance with N.A.R. and C.A.R. Constitution, Bylaws, Policies, Rules, Regulations, and REALTOR® Code of Ethics. It shall be the duty and responsibility of every REALTOR® member of this A.O.R. to abide by the governing documents and policies of this A.O.R., C.A.R and N.A.R., and the Code of Ethics, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the N.A.R. Code of Ethics and as further defined and in accordance with the procedures set forth in the *California Code of Ethics and Arbitration Manual* as from time to time amended by C.A.R. By becoming and remaining a member, every REALTOR® member agrees that he or she and the corporation or firm for which he or she acts as a partner, officer, principal, or branch office manager, will submit to arbitration through the A.O.R. all disputes with any other member or member of the public subject to the conditions set forth in the *California Code of Ethics and Arbitration Manual*.

ARTICLE VIII

USE OF THE TERMS REALTOR® AND REALTORS®

Section 1. Use and Control of REALTOR® Membership Marks. Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of N.A.R. and to the Rules and Regulations prescribed by its Board of Directors. The A.O.R. shall have the authority to control, jointly and in full cooperation with N.A.R., 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 C.A.R. *Code of Ethics and Arbitration Manual*.

Section 2. Jurisdictional Limits on Use of REALTOR® Membership Marks. REALTOR® members of the A.O.R. shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within California, 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. Use of REALTOR® Membership Marks Dependent on Status of Firm Principals. 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 California, or a state contiguous thereto, are REALTOR® members. 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 Ineligible to Use REALTOR® Membership Marks. Institute Affiliate members shall not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of N.A.R.

ARTICLE IX

DUES AND ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt a reasonable application fee for membership in the A.O.R. The application fee for REALTOR® membership shall not exceed three times the amount of the annual dues for REALTOR® membership. The application fee shall be required to accompany each application for membership in the A.O.R. and shall become the property of the A.O.R. upon final approval of the application. The A.O.R. shall collect all C.A.R. and N.A.R. new members and application fees, if any.

Section 2. Dues and Assessments.

- (a) The Board of Directors shall annually determine the amount of annual dues and assessments, if any, to be paid by each class of membership.
- (b) The dues and assessments of each Designated REALTOR® member shall be a base amount plus an amount multiplied by the number of real estate licensees and licensed or certified appraisers under California law to which he or she certified under Article VI, Section 13, and who:
 - (1) are employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed or certified with such REALTOR® member; and
 - (2) are not REALTOR® members of any Association within California or a state contiguous thereto or Institute Affiliate members of this A.O.R.. In calculating the dues and assessments payable to the A.O.R. by a Designated REALTOR® member, non-member licensees as defined in (1) and (2) of this sub-paragraph shall not be included in the computation of dues and assessments if the Designated REALTOR® has paid dues and assessments based on nonmember licensees to another Association within the state of California or a state contiguous thereto, provided the Designated REALTOR® notifies the A.O.R. in writing of the identity of the Association to which dues and assessments have been remitted.
- (c) In accordance with Article VI, Section 11, the Designated REALTOR® has an affirmative and ongoing duty to keep dues and assessments formulations current and accurate and shall notify the A.O.R. within 30 day of any changes, additions or deletions of any real estate licensees and

licensed or certified appraisers employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed or certified with such Designated REALTOR®

- (d) 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 (“LFRO”) 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 the real estate profession as defined in Article V, Section 2 (c) (buying, selling, exchanging, renting or leasing, managing, counseling, appraising for others for compensation, building, developing or subdividing real estate) and are not participant or subscriber in a Multiple Listing Service (“MLS”). The individuals disclosed on such form 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 and assessments of the Designated REALTOR®. It shall be considered a violation of a membership duty for a REALTOR® to falsely certify LFRO status. Moreover, the exemption for any licensee included on the certification form for a LFRO shall automatically be revoked upon the individual being engaged in the real estate profession as defined in Article V. Section 2 (c) other than for referrals, or for being a participant or subscriber of any MLS, and dues and assessments for the entire current fiscal year shall be immediately due and payable in full. Licensee may not reapply for a LFRO exemption until the following fiscal year.
- (e) A REALTOR® with a direct or indirect ownership interest in an entity engaged in the real estate business which provides services for which a Mortgage Loan Originators (“MLO”) license endorsement is required may annually file with the association, on a form approved by the association, a list of the MLO licensees and certify that the listed licensees (1) have a MLO license or endorsement, (2) are not engaged in real estate profession as defined in Article V, Section 2 (c) (buying, selling, exchanging, renting or leasing, managing, counseling, appraising for other for compensation, building developing or subdividing real estate) except for licensed activities for which an MLO is required, and (3) are not participants or subscribers in any MLS. 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 and assessments of the Designated REALTOR®. It shall be considered a violation of a membership duty for a REALTOR® to falsely certify MLO status. Moreover, than exemption for any licensee, included on the certification form for an MLO exemption, shall automatically be revoked upon the individual being engaged in the real estate profession as defined in Article V, Section 2 (c) other than in those activities for which and MLO license or endorsement is required or upon their joining an MLS, and dues and assessments for the entire current fiscal year shall be immediately due and payable in full. License may not reapply for a MLO exemption until the following fiscal year.
- (f) Membership dues and assessments 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.

- (g) The annual dues and assessments of REALTOR® members shall not include any allocation for C.A.R., if the member is a member of an Association of C.A.R. and that Association has paid C.A.R. dues for the member.
- (h) The annual dues and assessments of REALTOR® members shall not include any allocation for N.A.R., if the member is a member of an Association of N.A.R. and that association has paid N.A.R. dues for the member.
- (i) 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 sub- paragraph (b) of this Section) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.
- (j) The annual dues and assessments of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 1/02)

Section 3. Dues and Assessments Payable. Dues and assessments for all members shall be payable on January 1, or as specified by the Board of Directors. Invoices for dues shall be sent to each member at least 30 days prior to the due date.

- (a) Dues and Assessments shall be computed from the first day of the month in which a new member is notified of acceptance and shall be prorated for the remainder of the billing period.
- (b) Any member who initiates bankruptcy proceedings may be placed on a "cash basis" from the date the bankruptcy petition is filed until one year from the date that the member has been

discharged from bankruptcy.

- (c) All dues and assessments or fees paid to the A.O.R. are nonrefundable, except for those dues and assessments returned to a terminated provisional member as provided in Article V, Section 12(e).

After the initial annual billing, in the event, that additional real estate licensees or licensed or certified appraisers become affiliated with the Designated REALTOR®, the dues and assessments of the Designated REALTOR® shall be adjusted for each real estate licensee or licensed or certified appraiser employed by or affiliated as independent contractors or otherwise directly or indirectly licensed or certified with such Designated REALTOR® and added to their firm as shown on the DRE or BREA database. Any additional amount owing shall become immediately due and payable upon the date of affiliation even if no invoice is generated (i.e. the date of affiliation is the “due date”).

Section 4. Nonpayment of Financial Obligations.

- (a) If dues, fees, fines, or other assessments including owed to the A.O.R. are not paid within 10 days of the due date, the nonpaying member is subject to suspension. If the amount due remains unpaid 30 days after the due date, membership will be automatically terminated. A notice of non-payment and intent to terminate membership must be sent to the member and the Designated REALTOR® by regular first class mail at least 20 days prior to the proposed termination date.
- (b) A member may dispute the proposed termination and request a review of the accuracy of the amount billed and the failure to pay the amount due. When disputed, termination will be postponed until the requested review has been completed. The results of the review will be sent to the member by regular first class mail, and if it is determined that an amount is still owed, the member will have 10 days from the date the review results are mailed to pay the outstanding balance. If the amount still remains unpaid, membership will be terminated.
- (c) If the membership of a real estate licensee or certified or licensed appraiser holding REALTOR® membership is terminated for non-payment of A.O.R. dues; and the licensee or appraiser remains affiliated under the license of the Designated REALTOR®, the dues obligation of the designated REALTOR®, as set forth in Article IX Section 2 (b), will be increased to reflect the addition of a non-member licensee or appraiser. The increase in the dues obligation shall be calculated from the first day of the current dues period and is payable within thirty (30) days of the notice of termination, unless during that time the designated REALTOR® certifies in writing that the terminated member is no longer under the Designated REALTOR®’s license.

Section 5. Reinstatement After Termination for Nonpayment of Financial Obligations. A former member who has had his/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the A.O.R. or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, only upon making full payment of all past dues accounts, together with interest at the rate of ten (10%) percent per annum on each item comprising the accounts, from its due date until paid, and after complying with all

sanctions imposed by a disciplinary panel together with the payment of the application fee required of new applicants.

Section 6. Deposit. All monies received by the A.O.R. for any purpose shall be deposited to the credit of the A.O.R. in a financial institution or institutions selected by resolution of the Board of Directors.

Section 7. Notice of Delinquent Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All delinquent dues, fees, fines, assessments or other financial obligations to the A.O.R. or its Multiple Listing Service shall be noticed in writing to the delinquent member and the Designated REALTOR® setting forth the amount owed and due date.

ARTICLE X

OFFICERS AND DIRECTORS

Section 1. Officers. The elected Officers of the A.O.R. shall be the President, President-Elect, and Treasurer. The President-Elect shall automatically ascend to the presidency at the end of his/her term as President-Elect. The term of each office shall be one year from January through December. No person shall hold more than one office at the same time. The Association Executive or other staff member shall serve by appointment of the Board of Directors in the Office of Secretary for subsequent one-year terms to run concurrently with his/her employment. The Executive Officer is the chief staff person of the A.O.R. but is not an officer or member of the Board of Directors but for organizational purposes will be considered an Officer of the A.O.R.

Section 2. Powers and Duties of Officers. The powers and duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the duty of the Secretary, as the current top employee employed by the A.O.R., to keep the records of the Board of Directors and to carry on all necessary correspondence with N.A.R. and C.A.R.

Section 3. Board of Directors. The governing body of the A.O.R. shall be a Board of Directors consisting of the following:

- (a) The President - Term 1 year.
- (b) The President-Elect - Term 1 year.
- (c) The Treasurer - Term 1 year.
- (d) Secretary – Term 1 Year to run concurrently with employment by the A.O.R.
- (e) The Immediate Past President - Term 1 year.

- (f) Seven REALTOR® members, whose terms shall be for two years. If a Director is elected to an officer position he/she shall fill the term of that office and a Director shall be appointed by the Board of Directors to fill the remainder of his/her previous term.
- (g) Nothing contained herein shall preclude any Director or Officer from Serving successive terms.

(All officers must meet and continue to satisfy their Board of Directors membership obligations set forth. All Directors including the elected Officers have one (1) vote. Not more than (2) Two Directors from any one office or multi-office firm under the same ownership.)

Section 4. Powers and Duties of the Board of Directors. Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation or Bylaws relating to action required to be approved by the members or a majority of all the members, the activities and affairs of the A.O.R. shall be conducted by, and all management powers shall be exercised by or under the direction of, the Board of Directors. The Board of Directors may delegate the management of the activities of the A.O.R. to any committee so long as the ultimate direction is provided by the Board of Directors.

Section 5. Absence of the President. In order for the A.O.R. to conduct its business affairs:

- (a) During any temporary absence of the President, the President-Elect shall fulfill all duties and obligations required.
- (b) Should the office of the President become vacant between elections, the President-Elect shall fill the vacancy and complete the unexpired term. The President-Elect who fills a vacancy in the office of the President shall automatically become President for a full term after completion of the unexpired term.
- (c) Should a President-Elect be unable to move up to the office of President before the beginning of the presidential term, the office of President shall be filled by a simple majority vote of the Board of Directors for the next one-year term.

Section 6. Qualifications of Officers and Directors. All officers must meet and continue to satisfy their Board of Directors membership obligations set forth in (section 6d below).

- (a) Any candidate for elective office or directorship must be a REALTOR® Member in good standing of the A.O.R. for at least 1 year and shall have been a member of any Real Estate Board/Association for a period of not less than two years at the time of election or appointment. Any candidate for any officer's position must satisfy any general requirements as well as serve as an active director at the A.O.R. for at least one (1) year prior to elections.
- (b) In addition, candidates must meet the other minimum eligibility criteria stipulated in the General Requirements for Officers and Directors Policy adopted by the Board of Directors

- (c) Prospective Candidates for elective office or directorship shall be disqualified if the election of such candidate would cause the Board of Directors to have more than two members from the same office. For the purposes of this section “same office” shall be defined as the same responsible broker, commonly referred to as a Designated REALTOR®.
- (d) Be a REALTOR® member whose financial obligations to the A.O.R. are paid in full and whose dues and assessments are current and remain current throughout the duration of service on the Board. Be of sound professional character conducting business in compliance with the NAR Code of Ethics, (All Final findings of NAR Code of Ethics violations and violations of other membership duties in this or any other A.O.R within the past three years, and any unsatisfied discipline pending at any A.O.R. shall be taken into consideration when determining qualifications). Honor fiduciary duties to the A.O.R. and adhere to appropriate conflict of interest, disclosure rules, and Code of Conduct.
- (e) Primary and Secondary members need to be members of the Delta Association of REALTORS® for one calendar year, January – December. The year must be a continuous calendar year with no terminations.

Section 7. Nomination & Election of Officers & Directors.

- (a) The election of Officers and Directors shall take place prior to **June 30th** of each year, with the actual date being set by the Board of Directors.
- (b) Nominations of Candidates for Officers & Board of Directors: Any person qualified to be elected as an Officer or Member of the Board of Directors may be nominated by any of the following methods:
 - (1) Any REALTOR® member may recommend any qualified Member, including himself or herself, by completing, signing & delivering a Candidate Application Form to the Secretary;
 - (2) By the Election Committee Nominate additional candidates for any office where warranted.
 - (3) Nomination by Petition. After the initial application period ends additional candidates for the offices to be filled may be placed in nomination by petition signed by at least fifteen (15%) percent of the REALTOR® members eligible to vote. The petition shall be filed with the Secretary at least three (3) weeks before the election. The Secretary shall deliver notice of such additional nominations to all members eligible to vote at least two (2) weeks before the election. **Applications open on April 1st, Applications are closed on April 23rd, Published on May 1st, ballots start on June 1st, Election completed by June 15th.**

- (4) Prior to April 1st of each year, an Election committee of not less than 5, composed of the President, the second Past President, if willing to serve, or the next preceding Past President available, and the balance REALTOR® members, shall be appointed by the president with the approval of the Board of Directors. It is recommended that the President consider geographic representation when selecting the Election Committee. If a Member of the Election Committee intends to run for any office or directorship, said Member shall immediately resign from the Committee. The election Committee shall elect its own chairman.
- (5) Alternate: In addition to the 5 Member Election Committee, an alternate member shall be appointed by the President, with the approval of the Board of Directors. The alternate on the Election Committee shall be a silent, non-voting committee member and shall only take an active role as a replacement voting member, should one of the 5 voting Committee Members not be in attendance.
- (6) Cancellation of Election: In the event, that there is only one Nominee for each position to be filled as an Officer or member of the Board of Directors, and no nominations by petition are properly filed, the Board of Directors may cancel the election at their discretion, and declare the nominees elected by acclamation.
- (7) Duties of the Election Committee: The Election Committee shall perform the following duties:
- (a) Adopt an appropriate Officer and Director Candidate Application Form and publicize the availability of these forms to the Membership no later than **April 1st**
 - (b) Review and verify all applications and petitions for conformity with these Bylaws and for the eligibility of each candidate;
 - (c) Nominate additional candidates for any office where warranted.
 - (d) Obtain the written consent of each candidate assuring that candidates only run for one vacant position.
 - (e) Provide at least one candidate for each office. **Nominate additional candidates for any office where warranted.**
 - (f) Close the nominations **21** days in advance of the election and prepare an official ballot
 - (g) Mail or E-mail or online utilized for voting. Official ballots, together with all other required materials available to each member entitled to vote.

- (h) Ballots are counted by electronic voting software, the Secretary, President, and President-Elect will certify the results to the Board of Directors.
- (c) Election Procedures:
 - (1) Notification to Members of Verified Candidates: A list of verified candidates shall be published in the Association's Newsletter and the Association's Website. **Applications open April 1st, Applications closed April 23rd, Published on May 1st, ballots start on June 1st, Election completed on day of June 15th**
 - (2) Ballots:
 - (a) Official Ballots containing the names of all qualified candidates shall be made available, electronically or otherwise, to all eligible voting members no later than 10 days before election.
 - (b) Said ballots shall be cast electronically or, if provided by the A.O.R., either mailed or delivered in a sealed envelope provided by the Board no later than 4:00 PM on the final day of the Election.
 - (c) There shall be no proxy votes.
 - (3) Quorum for Election: Election by ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required or defined in Article XI, Section 5 of these Bylaws.
 - (4) Certification to be Elected: To be certified to be elected as an Officer or Director of the A.O.R. a member must:
 - (a) Be declared elected by acclamation of the Board of Directors, if the election is cancelled as per Section 7, Paragraph 6 of Article X.
 - (b) Receive a majority of the total votes cast for the position when 2 or less candidates are running.
 - (c) Receive a plurality of the total votes cast for the position when 3 or more candidates are running.
 - (5) Tie Vote: In the event of a tie vote, the winner shall be determined by the Board of Directors.
 - (6) Same Office Representation: In the event the election of a candidate would result in that candidate's office has more than two Directors or Officers on the Board of Directors at the same time, then that candidate shall be disqualified and the candidate with the

next highest number of votes elected. The same office shall be defined for the purpose of this section as the same Designated REALTOR®.

Section 8. Vacancies. Vacancies among the Officers and the Board of Directors, except for the office of President, shall be filled by a simple majority vote of the Board of Directors. Vacancies in the office of the President shall be filled in accordance with Article X Section 5 (b). If an officer or director is unable to assume office after being elected, his/her seat becomes vacant and shall be filled by the Board of Directors. (revised 8-25-10)

Section 9. Removal of Officers and Directors. In the event that an officer or director is deemed to be incapable, for any reason, of fulfilling the duties for which elected, but will not resign from office voluntarily, the officer or director may be removed from office under the following procedure:

- (a) Removal by Board of Directors for Cause. The board of Directors shall declare vacant the office of any officer or Director on the occurrence of any of the following events:
 - (1) The death of the Officer or Director.
 - (2) The Officer or Director has been declared of unsound mind by a final order of a court.
 - (3) The Officer or Directors has been convicted of a felony.
 - (4) The officer or Director is convicted of a breach of duty under Section 7238 of the California Corporate Code.
 - (5) The Officer or Director is absent from three (3) consecutive regularly scheduled Board meetings or four (4) regularly scheduled Board meetings in one year without an excuse deemed valid by the Board of Directors.
 - (6) The Officer or Director resigns from Office.
 - (7) The Officer or Director no longer meets the general requirements for Officer and Directors.
- (b) Removal by Board for Violation. The Board of Directors may declare vacant the office of any Director if, during his/her term of office, an Office or Directors if, during his/her term of office, an Officer or Director is determined to have violated the NAR Code of Ethics or other director or membership duty. Removal from office shall be subject to review by the Association's Board of Directors as to the severity of the violation based solely on the final finding of fact and the appropriateness of removal from office.
- (c) A petition requiring the removal of an officer or director and signed by not less than one-third (1/3) of the voting membership or a majority of all directors shall be filed with the President, or if the President is the subject of the petition, with the next ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- (d) Upon receipt of the petition, and not less than twenty days (20) or more than forty-five (45) days thereafter, a special meeting of the voting membership of the A.O.R. shall be held. The sole

business of the meeting shall be to consider the charge against the officer or director and to render a decision on such petition.

- (e) The special meeting shall be noticed to all voting members at least ten (10) days prior to the meeting and shall be conducted by the President unless the President's continued service in office is being considered at the meeting. In such a case, the next ranking officer will conduct the meeting. Provided a quorum is present, three-fourths vote of members present, and voting shall be required for removal from office.

Section 10. Expenditures. The Board of Directors shall administer the finances of the A.O.R. but shall not incur any obligations in excess of \$1,000 over the available cash on hand without authorization by vote of a majority of all the REALTOR® Members. However, expenditures required for the protection of Capital Assets or to respond to emergency situations may be incurred by the Board of Directors without the prior approval of the full membership of the A.O.R.

ARTICLE XI

MEETINGS

Section 1. Annual Meetings. The annual meeting shall be held any time before the end of July. Board of Directors Meeting; the date, place and hour to be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time, manner, and place of meetings. The Board of Directors shall designate regular time and place manner are and place of meetings. Regular meetings may be held without notice as long as the time and place are fixed by the Board. Special meetings of the Board may also be called by the President, Secretary, or any two Directors in accordance with the notice provision set forth below.

Section 3. Meetings of Members. 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 thirty (30%) percent of the members eligible to vote. The Board of Directors may designate that a meeting of the members may be conducted by electronic transmission by and to the A.O.R. or by electronic video screen communication where members have a reasonable opportunity to participate in substantial concurrence with the proceedings. Participation in such meetings shall constitute presence in person at the meetings of the person or persons so participating whether that meeting is held in a designated place or in whole or in part by electronic means.

Section 4 Notice of Meetings. Written notice of membership meetings shall be delivered personally, by first class mail, facsimile, electronic mail, or other electronic means to the address shown on the current A.O.R. records of every member entitled to participate in the meeting at least ten (10), but not more than forty-five (45) calendar days preceding all meetings. The A.O.R. may also publish notice of

membership meetings in any publication regularly sent to all members of the A.O.R. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting, date, time, and place.

Section 5. Quorum.

- (a) A quorum of REALTOR® Members for the transaction of business at a general meeting shall consist of fifteen (15%) percent or more of the total number of said Members.
- (b) A quorum for Board of Directors meetings shall be five (5) of total Directors, in which case unanimous agreement shall be required for approval or passage of any matter. A simple majority of those present will be required for approval or passage of any matter, except as provided by law. No Vote by proxy is permitted.

Section 6. Action without a Meeting

- (a) Any action that may be taken at any regular membership meeting or special membership meeting may be taken without a meeting if the association distributes a written or electronic ballot to every member entitled to vote on the matter. Approval by written or electronic ballots shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the Quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve such action at a meeting had the vote has been taken in a face-to-face meeting.
- (b) Board of Directors Meetings. Any action that may be taken by the Board may be taken without a meeting if all Directors individually or collectively consent in writing to that action (unanimous consent). The written consent shall be filed with the corporate records or made a part of the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE XII **COMMITTEES**

Section 1. Standing Committees. The President shall appoint from among the REALTOR® members and where applicable, Affiliate members, subject to confirmation by the Board of Directors, the following standing committees:

- Budget & Finance
- MLS and Business Technology
- Bylaws, Rules & Regulations
- Education
- Strategic Planning
- Ethics and Professional Standards
- Grievance

- Local Government Relations & Political Affairs
- Membership

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

Section 3. Term of Committee Appointments. Committee members shall be appointed to a term not to exceed one year, running consistent with the existing presidential year, except that the members of the Grievance and Professional Standards committees may be appointed to staggered three (3) year terms.

Section 4. Organization. All committees shall have such terms, size, duties, functions, and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these By-Laws or California Non-Profit Corporation Law.

Section 5. President. The President shall be an ex-officio, non-voting, member of all standing committees and shall be notified of their meetings.

Section 6. Removal. The President shall have the power, subject to confirmation by the Board of Directors, to remove any member from a committee.

Section 7. Executive Committee. The members of the Executive Committee shall consist of the following officers: The President, the President-Elect, the Immediate Past President, the Secretary, and the Treasurer. Their terms of service on such Executive Committee shall run concurrently with their A.O.R. terms of office. The Executive Committee shall have such other duties as are authorized from time to time by the Board.

Section 8. Duties of Executive Committee. In addition to the duties, functions, and powers assigned to the Executive Committee by the Board of Directors, the Executive Committee shall conduct or cause to be conducted investigations into issues that could have a financial, tax, or legal impact on the corporation, and it shall report its findings and its recommendations (if any) to the Board upon conclusion of any such investigations. The Executive Committee shall also be responsible for conducting an annual performance review of the Chief Executive Officer. The annual review shall occur no later than April 15th of each year.

ARTICLE XIII

FISCAL AND ELECTIVE YEAR

Section 1. The fiscal and elective year of the A.O.R. shall be the calendar year.

ARTICLE XIV

RULES OF ORDER

Section 1. Robert's Rules of Order. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the A.O.R., its Board of Directors, and committees, in all instances wherein its provisions do not conflict with the California Nonprofit Corporations Code or these Bylaws.

ARTICLE XV **AMENDMENTS**

Section 1. Amendment Upon Majority Vote of Membership. These Bylaws may be amended by:

- (a) A majority vote of the REALTOR® members present and qualified to vote as per Article VI Section 4, at any meeting 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; or a written ballot. If the amendment is sought by written ballot, the ballot must be delivered personally, by facsimile, regular mail, electronic mail or other electronic means to all members qualified to vote, plainly state the substance of the proposed amendment or amendments, provide an opportunity to specify approval or disapproval, and give at least ten (10) days in which to return the ballot delivered personally, by facsimile, regular mail, electronic mail or other electronic means to the A.O.R. Amendment by written ballot will only be effective if the number of votes cast within the time specified equals or exceeds the number of votes that would have been required at a member meeting per Article XI. In addition, the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by N.A.R. policy.
- (b) Action of the Board of Directors, provided, however, that any Amendment made solely by the Board of Directors and without a vote of the Membership shall not:
 - (1) affect the existence of the Association.
 - (2) affect the Membership rights as to voting, dissolution, redemption, or transfer of membership.
 - (3) alter the fixed number of, or change the term of, office for Officer(s) or Director(s).
 - (4) add, delete, or alter any classification of membership.
 - (5) change any quorum requirements.
 - (6) authorize the use of proxies, absentee ballots, or cumulative voting.
 - (7) amend or repeal Article VIII of the Bylaws.
- (c) Further, any amendments, repeals, or adoption of Bylaws by the Board of Directors shall take effect forty-five (45) days from the date of membership notification by facsimile, electronic mail, regular mail, regularly used A.O.R. communication or other electronic means to every member

eligible to vote. If within the forty-five (45) day period a request is made to the Board of Directors in the form of a petition signed by five (5%) percent of the authorized voting membership, the implementation of said change will be withheld pending a vote of the membership.

- (d) Notice of all meetings at which amendments are to be considered shall be delivered personally, by facsimile, electronic mail, regular mail, or other electronic means to every member eligible to vote at least twenty (20) calendar days prior to the meeting and shall plainly state the substance of the proposed amendment or amendments.

Section 2. Approval of Amendments by N.A.R. Amendments to these Bylaws affecting the admission or qualifications of REALTOR®, and Institute Affiliate Members, the use of the terms REALTOR®, REALTORS®, or any alteration in the territorial jurisdiction of the A.O.R. shall become effective upon their approval as authorized by the Board of Directors of the N.A.R..

ARTICLE XVI

DISSOLUTION

Section 1. Dissolution. Upon the dissolution of this A.O.R., the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to C.A.R. or, within its discretion, to any other non-profit tax-exempt organization.

ARTICLE XVII

MULTIPLE LISTING SERVICE

Section 1. Authority and Governing M.L.S. Rules. The A.O.R. shall maintain for the use of licensed real estate brokers, salespersons, and licensed or certified appraisers a Multiple Listing Service ("M.L.S.") which shall be subject to the Bylaws of the A.O.R. the California Model M.L.S. Rules as from time to time amended by C.A.R., which are hereby incorporated by reference and such additional local M.L.S. Rules and Regulations as may be hereinafter adopted by the Board of Directors. In the event of a conflict between the California Model M.L.S. Rules and the local M.L.S. Rules and Regulations, the local M.L.S. Rules and Regulations will control.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized M.L.S. broker participants establish legal relationships with other participants by making a blanket unilateral contractual offer of compensation and cooperation to other broker participants; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals and other valuations of real property; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the participants so that they may better serve their clients and the public.

Section 3. Participation. Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, 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 a Board Multiple Listing Service is strictly limited to the activities authorized under a

Participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation” or “membership” or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. (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 4. Copyright Ownership. All rights, title, and interest in each copy of every M.L.S. Compilation created by the A.O.R. and the computerized M.L.S. data base, and in the copyrights therein, shall at all times remain vested in the

A.O.R. Participants, authorized subscriber licensees affiliated with such Participants are authorized only to use the M.L.S. Compilations and data base in accordance with the M.L.S. Rules and Regulations as are from time to time promulgated by the Board of Directors.

Section 5. Supervision.

- (a) M.L.S. Operations, if conducted solely by the A.O.R., shall be under the supervision of the Board of Directors who may elect to appoint an M.L.S. Executive Committee of up to 9 REALTORS® each serving a one-year term. If so appointed, all members of the committee shall be REALTOR members and M.L.S. Participants or Subscribers. No more than two members of the committee shall be from the same office. The Chairman of the Committee shall be named by the Directors and serve a one-year term.

Section 6. Access to Comparable and Statistical Information.

Providing the M.L.S. generates such publications, A.O.R. members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the M.L.S., are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the M.L.S. including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive use of A.O.R. members and individuals affiliated with A.O.R. members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm except as otherwise specified in the M.L.S. Rules and Regulations. A.O.R. members who receive such information are subject to the applicable provisions of the M.L.S. Rules and Regulations whether they participate in the M.L.S. or not.

Section 7. Regional M.L.S.

- (a) The A.O.R. is a service center and a participant.
- (b) Qualifications of M.L.S. Committee members: All appointees must be an A.O.R. REALTOR® member in good standing and be either a Participant or Subscriber to M.L.S.
- (c) Appointment of Regional Director or representative: The A.O.R. shall appoint such Director or other representatives as specified in the regional M.L.S. governing documents. Any such appointments shall be made by the President or President-elect and be subject to confirmation by the Board of Directors and Regional MLS Boards.
- (d) Vacancies: Vacancies in un-expired terms shall be appointed by the President, subject to confirmation by the Board of Directors.

ARTICLE XVIII

INDEMNIFICATION OF DIRECTORS, OFFICERS EMPLOYEES AND OTHER AGENTS.

Section 1. Power to Indemnify and Advance Cost. The Board of Directors shall have the power to indemnify and advance costs to its Directors, Officers, employees, and other agents with respect to any action or proceeding brought by any person, whether or not such action or proceeding is brought by or on behalf of the A.O.R., to the full extent permitted by Section 7237 of the California Nonprofit Corporation Law, as amended from time to time.

Section 2. Insurance. The Board of Directors may provide for the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent arising out of acts undertaken in his or her capacity as such, whether or not the A.O.R. would have the power to indemnify the agent against that liability under the provisions of Section 1 of this Article.

ARTICLE XIX

RECORDS AND REPORTS

Section 1. Inspection Rights. Any Member of the corporation may:

- (a) Inspect and copy the records of Members' names and addresses and voting rights during usual business hours on five (5) day's prior written demand on the corporation, stating the purpose for which the inspection right are requested, and
- (b) Obtain from the Secretary of the corporation, written demand and on the tender of the secretary's usual charges for such a list, if any, a list of names and addresses of Members who are entitled to vote for the election of Directors, and their voting rights, as of the most recent record date for which that list has been compiled, or as of a date specified by the Member after the date of demand. The demand shall state the purpose for which the list is requested. This list shall be made available to any such Member by the secretary on or before the later of ten (10) days after the demand is received or the date specified in it as the date by which the list is to be compiled. Any inspection and copying under this section may be made in person or by an agent or attorney of the Member and the right of inspection includes the right to copy and make extracts.

Section 2. Maintenance and Inspection of Articles and Bylaws. The corporation shall keep at its principal executive office the original or a copy of the Articles and Bylaws as amended to date, which shall be open to inspection by the Members at all reasonable times during office hours.

Section 3. Maintenance and Inspection of Other Corporate Records. The accounting books, records, and minutes of proceedings of the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such

designation, at the principal executive office of the corporation. The minutes shall be kept in written or typed form or in any other form capable of being converted into written, typed, or printed form. The minutes and accounting books and records shall be open to inspection on the written demand of any Member, at any reasonable time during the usual business hours, for a purpose reasonably related to the Member's interests as a Member. The inspection may be made in person or by the Member's agent or attorney and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and of each of its subsidiary corporations. This inspection by a Director may be made in person or by his agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 5. Annual Report to the Members. The annual report to Members referred to in the California Nonprofit Corporation Law is expressly dispensed with, but nothing in these Bylaws shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the Members of the corporation as the Directors consider appropriate. However, the corporation shall provide to the Directors, and to those members who request it in writing within one hundred twenty (120) days of the close of its fiscal year, a report containing the following information in reasonable detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.
- (e) Any information required by California Corporations Code Section 8322.