



# Rim O' the World

Association of REALTORS®

## **Rim O' The World Association of Realtors®**

**(Revision April 20<sup>th</sup>, 2022)**

**Prepared by  
RIM O' THE WORLD ASSOCIATION  
OF REALTORS®**

C.A.R. MODEL BYLAWS, Revised February 2022, RIM AOR BOARD OF DIRECTORS, Revised April 2022

28200 HIGHWAY 189  
LAKE ARROWHEAD,  
CALIFORNIA 92352

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## BYLAWS OF THE

### Rim O' The World Association of REALTORS®, Incorporated

(Adopted February 25th, 2022)

#### ARTICLE I - NAME

*(REQUIRES VERBATIM ADOPTION BY MEMBER ASSOCIATIONS)*

**Section 1. Name.** The name of this organization shall be the Rim O' The World 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

*(REQUIRES VERBATIM ADOPTION BY MEMBER ASSOCIATIONS)*

**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 profession and related interests. The "recognized branches of the real estate profession" include buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, financing, 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® and REALTORS® as licensed, prescribed, and controlled by N.A.R.

#### ARTICLE III - NATIONAL AND STATE MEMBERSHIPS

*(REQUIRES VERBATIM ADOPTION BY MEMBER ASSOCIATIONS)*

**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, and 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**

### ***(REQUIRES VERBATIM ADOPTION BY MEMBER ASSOCIATIONS)***

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

(Include exact jurisdiction description as officially approved by the N.A.R. Board of Directors. Continue description on addendum if required.)

**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 six (6) classes of membership: (1) REALTOR® Members; (2) Institute Affiliate Members; (3) Affiliate Members; (4) Public Service Members; (5) Honorary Members; and (6) 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 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) Act as a sole proprietor, partner, 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;

(d) Maintain or be associated with a real estate office located within 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 under which the applicant was convicted (10) 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, 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 in 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 under which the applicant was convicted (10)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 as described below in Article V, Section 2.8.

2.4 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 no limited to, certification as set forth in Article VI, Section 11. The "Designated REALTOR®" must be the sole proprietor, partner, corporate officer or an 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, Sections 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®." If a REALTOR® is a primary member of the A.O.R., the A.O.R. pays C.A.R. and N.A.R. dues for that individual.

(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 principal of the real estate firm who is actively engaged in the real estate profession within the state of California or a state contiguous thereto shall be required to become a REALTOR® member if any other principal of such firm, partnership or corporation is a REALTOR® member within those states. Each is required to hold REALTOR® membership individually in a local Association in California 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 principal 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 business 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 holds 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 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 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.** 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.

**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's 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 (“MLS”).

(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. Applicants must also complete an orientation program as may be required by the Board of Directors, its Membership Committee, or otherwise, said program to be attended in-person or, upon request, through remote means.

(c) Applicants for REALTOR® membership shall certify: (1) that they have no record of official sanctions rendered by the courts or other lawful authorities for violations of civil rights laws or real estate license laws within the past three years; (2) that they have no criminal convictions within the past ten years where the crime was punishable by death or imprisonment in excess of one year under the law under 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); and (3) that they have not been suspended or expelled from an Association the past three years for violations of the N.A.R. Code of Ethics.

(d) Applicants who are sole proprietors, general partners, corporate officers, or branch office managers (Article V, Section 2) 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 (3) years. If the applicant is party to pending bankruptcy or insolvency proceedings or has been adjudged bankrupt within the past three (3) years, the applicant may be required to pay cash in advance for A.O.R. and MLS 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 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);

(e) Unpaid arbitration awards or unpaid financial obligations to the Association or its MLS; and

(f) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant’s firm.

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.

**NOTE:** Article IV, Section 2, of the NAR 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.

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

(a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the board of directors.

(b) If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within forty five (45) days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.

(c) The board of directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the board of directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The board of directors may also have counsel present. The board of directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(d) If the board of directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Adopted 1/98, Amended 1/05)

(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 unsatisfied discipline pending in another Association (except for violations of the Code of Ethics), 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 pending ethics and arbitration matters and related discipline have been resolved or if such matters are not 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 satisfactorily resolved the pending ethics or arbitration matter, at the discretion of the Board of Directors, membership may be terminated. Any dues paid by the provisional member shall be prorated from the date of application to the date of termination, and the remaining dues shall be returned to the terminated provisional member.

(f) If a member resigns from another Association with an ethics complaint or arbitration request pending, the Board of Directors may condition membership on the applicant's certification that he or she

will submit to the pending ethics or arbitration proceeding, in accordance with the procedures of the A.O.R., and will abide by the decision of the hearing panel.

**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 180 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 year 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® Association, C.A.R., or N.A.R., which meets the learning objectives and minimum criteria established by N.A.R. from time to time. REALTOR® members who have completed training as a requirement of membership in another Association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-year period commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty and will result in suspension of membership for the first two months (January and February) of the year following the end of any three-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date 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 or 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 REALTOR® 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 Bylaws. If the REALTOR® does not satisfy the requirements established in the 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, his or her membership in the A.O.R. shall terminate automatically. If any member ceases to meet any other ongoing qualification of membership, his or her 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 month in which the member is notified of acceptance by the Board of Directors of his or her 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**  
**(REQUIRES VERBATIM ADOPTION BY MEMBER ASSOCIATIONS - {Sections 1, 2 (a), 4, 5 (a)-(c), 6})**

**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® or REALTORS® and 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 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*.

(b) Any member of the A.O.R. may be reprimanded, placed on probation, suspended or expelled or removed from any office or committee for violation of the A.O.R.'s Anti-Harassment Policy following an investigation and decision process as set forth in said Anti-Harassment Policy. The A.O.R.'s Anti-Harassment Policy may be amended at any time by majority vote of the Board of Directors, with such amendment effective for any conduct the last instance of which occurred after the date the amendment to the Anti-Harassment Policy was adopted.

**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 a disciplinary complaint pending, the complaint shall be processed until the decision of the A.O.R. with respect to disposition of the complaint is final by this A.O.R. (if respondent does not hold membership in any other Association) or by any other Association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Associations to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the Association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an Association 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 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.

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

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.

The foregoing is not intended to preclude a suspended or expelled member from functioning as an employee or independent contractor, provided no management control is exercised.

(e) 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®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to serve as President of the local association; or to be a Participant in the local association's Multiple Listing Service. (Amended 1/02)

**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 each 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 under Article IX, Section 2 of the 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 individual whose affiliation with the firm was severed within thirty days of the date of affiliation or severance of the individual(s).

## **ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION**

### ***(REQUIRES VERBATIM ADOPTION BY MEMBER ASSOCIATIONS)***

**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 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®**

***(REQUIRES VERBATIM ADOPTION BY MEMBER ASSOCIATIONS)***

**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.

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

**Section 4. 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 (3) 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.

### **Section 2. Dues and Assessments.**

(a) The Board of Directors shall determine annually the amount of annual dues and assessments, if any, to be paid by each class of membership.

(b) The dues 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 11, 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 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 if the Designated REALTOR® has paid dues based on non-member 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 have been remitted.

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 listing, selling, leasing, renting, managing, counseling, appraising or arranging financing for real property and are not a 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 of the Designated REALTOR®.

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 licensed activities except those 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 of the Designated REALTOR®.

The exemption for any licensee included on the certification form for a LFRO shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, appraising or arranging financing for real property), other than referrals, or being a participant or subscriber of any MLS, and dues for the current fiscal year shall be due and payable.

The exemption for any licensee, included on the certification form for an MLO exemption, shall automatically be revoked upon the individual being engaged in real estate licensed activities other than those activities for which an MLO license or endorsement is required or upon their joining an MLS, and dues for the current fiscal year shall be due and payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

(c) The annual dues 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.

(d) The annual dues 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.

(e) 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.

(f) The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association 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 Payable.** Dues for all members shall be payable annually in advance on the first day of January. Dues 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 year. 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. All dues or fees paid to the A.O.R. are nonrefundable, except for those dues returned to a terminated provisional member as provided in Article V, Section 10.

**Section 4. Nonpayment of Financial Obligations.**

(a) If dues, fees, fines, or other assessments including amounts owed to the A.O.R. or its Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying member is subject to suspension. Three (3) months after the due date, membership of the nonpaying member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. Furthermore, no member shall be suspended or expelled until twenty

(20) days after notice of a proposed suspension or expulsion and the reason therefore has been mailed by regular first-class mail to him or her, which notice may be given before or after the expiration of the one-month limit, two-month limit, or three-month limit.

(b) If within ten (10) days after the mailing of a notice the member requests a hearing, the effective date of the suspension or expulsion shall be deferred until after such hearing. The Board of Directors shall mail by regular first-class mail to the member at least five (5) days prior to the hearing a notice of the time and place of the hearing. At the hearing the Board of Directors shall receive evidence from the member and may receive evidence from any other person on the issue of whether the member was delinquent in the payment of fees or charges and on the issue of whether it would be in the best interest of the A.O.R. to suspend or expel the member.

(c) If the Board of Directors determines that the member was delinquent, the Board of Directors may decide, as it deems in the best interest of the A.O.R., to suspend or expel the member, to decline to suspend or expel the member, or to decline to suspend or expel the member on condition that the member pay the delinquency on or before a specified date or pay the delinquency in specified installments on or before specified dates. The member shall be automatically suspended or expelled without further hearing if the member fails to perform such condition.

(d) Any suspension or expulsion occurring after a hearing shall be effective five (5) days after notice thereof is mailed to the member, subject to the right of the Board of Directors to specify that the suspension or expulsion shall become effective upon the entry, in a suit by the A.O.R. for declaratory relief, of the final judgment of a Court of competent jurisdiction declaring that the suspension or expulsion violates no rights of the member.

(e) A member who has been expelled may apply for reinstatement in the manner prescribed for new applicants for membership, upon making full payment of all past due 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.

(f) In the event the membership of a real estate licensee or certified or licensed appraiser who holds REALTOR® membership is terminated for nonpayment of A.O.R. dues, and the licensee or appraiser remains affiliated with the same firm, the dues obligation of the designated REALTOR®, as set forth in this Article IX, Section 2(b), will be increased to reflect the addition of a non-member licensee or appraiser. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty (30) days of the notice of termination.

**Section 5. Reinstatement After Termination for Nonpayment of Financial Obligations.** A former member who has had his or 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 after making payment in full of all accounts due as of the date of termination.

**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 to the delinquent member in writing setting forth the amount owed and due date.

## ARTICLE X - OFFICERS AND DIRECTORS

**[NOTE: The below Sections 1 through 3 in this Model set propose criteria for pre-requisites for Officers and Directors, duration of the term, and/or set term limits. A.O.R.s should evaluate each of these items based on desirability, applicability and workability in their local area as well as determining any adjustments, if appropriate, to those outlined in the Model. Please consult local counsel in conjunction with your decision and adoption of new standards and processes.]**

### **Section 1. Officers.**

**(a) Composition.** The elected Officers of the A.O.R. shall be: a President, a President-Elect, a Secretary and a Treasurer (Chief Financial Officer). The offices of Secretary and Treasurer **are held by the same person**, otherwise, no person may hold more than one office at the same time. The President-Elect shall automatically ascend to the presidency at the end of his or her term as President-Elect unless for some reason he or she were stripped of office while President-Elect. 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.

**(b) Criteria.** Unless otherwise waived by the Board of Directors, the President shall have **1** years of experience as a member of the Board of Directors during the last **1** years prior to taking office. The President Elect shall have **1** years of experience as a member of the Board of Directors during the last **1** years prior to taking office. The Secretary and Treasurer shall have **1** year(s) of experience as a member of the Board of Directors during the last **1** years prior to taking office. All Officers must meet and continue to satisfy their Board of Director membership obligations set forth in Section 3 below for the duration of their time as Officers.

**(c) Term of Office.** The President and President-Elect shall serve one-year terms. The Secretary and Treasurer shall serve a **1** year term.

**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 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 elected officers, the Immediate Past President of the Board who shall serve by designation and is not elected by the members and **up to 6** elected REALTOR® members of the A.O.R. All directors including the elected officers, and the Immediate Past President have one vote. Directors shall be elected to serve for terms of three years, except that at organization, one-third of the elected Directors shall be elected for terms of one, two and three years, respectively, or for lesser terms as may be necessary to complete the first fiscal year. The term of the Immediate Past President serving by designation is one year. Thereafter, as many Directors shall be elected each year as are required to fill vacancies. If the Immediate Past President is unable or unwilling to serve in this capacity as a Director, the Board of Directors, in accordance with the procedures for filling vacancies, may, but is not required to, fill the open seat with another Director to serve the remainder of the term otherwise reserved for the Immediate Past President.

**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. Election of Officers and Directors.**

(a) Delivery of Notices, Reports and Ballots. All notices, reports and ballots in connection with the election or removal of officers and directors may be accomplished by personal delivery, first class mail, facsimile, electronic mail or other electronic means.

(b) Nomination by the Nominating Committee. At least two (2) months before the annual election, a Nominating Committee of 9 REALTOR® members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall review all nominees to determine qualification for election. Upon confirmation of eligibility, the Nominating Committee shall present a slate of candidates to the Membership for consideration no later than 4 weeks prior to the election. No member of the Nominating Committee may be a candidate for office or the Board of Directors. No person may be nominated for office unless they will meet all of the qualifications for the office at the beginning of the term for which they are a nominee.

(c) Nomination by Petition. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least twenty-five (25%) 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.

(d) Election Committee. The President, with the approval of the Board of Directors, shall appoint an Election Committee of 3 REALTOR® members to conduct the election. No member of the Election Committee may be a candidate for office or the Board of Directors. The Election Committee shall set a date on or before the annual meeting, on which the election will be held.

e) Elections. Elections shall be by ballot delivered to the members. The ballot shall contain the names of all candidates and specify the office for which each is nominated. No person may be a candidate for more than one position whether nominated by the Nominating Committee or by petition. Ballots may be submitted by the members in the manner and by the date specified by the Election Committee. There shall be no proxy votes. In case of a tie vote, the issue shall be determined by lot.

**Section 6. Vacancies.** Vacancies among the officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election. If an officer or director is unable to assume office after being elected, his or her seat becomes vacant and shall be filled by the Board of Directors.

**Section 7. 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 he or she is elected, but will not resign from office voluntarily, the officer or director may be removed from office under the following procedure:

(a) A petition requiring the removal of an officer or director and signed by not less than one-third 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.

(b) Upon receipt of the petition, and not less than twenty (20) days 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.

(c) The special meeting shall be noticed, including the general nature of the meeting, to all voting members at least four (4) 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 case, the next ranking

officer will conduct the meeting. Provided a quorum is present, a three-fourths vote of members present and voting shall be required for removal from office.

**Section 8. Organizational Meeting.** An organizational meeting of the new board of directors and sitting board shall be held within thirty days of the annual election to elect the Officers by the new Board of Directors that will be installed in November. The President and Vice-President serve as CAR Directors. A third CAR Director will be elected by the new Board of Directors at this organizational meeting. The Board of Directors shall use this organizational meeting to take whatever other action it deems appropriate.

**Section 9. Expenditures.** The Board of Directors shall administer the day to day finances of the A.O.R.

## **ARTICLE XI - MEETINGS**

**Section 1. Annual Meetings.** The annual meeting of the A.O.R. shall be held during June of each year, the date, hour, manner and place 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. 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 provisions set forth below. In addition to actual in-person meetings, Directors may participate in a meeting through use of conference telephone, electronic video screen communication or electronic transmission by and to the A.O.R. by means of which all persons participating in the meeting can communicate with each other simultaneously. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

**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 fifty (50%) 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 meeting shall constitute presence in person at the meeting 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.**

(a) Membership Meetings. Written notice of membership meetings, stating the date, time, place (and/or means of electronic transmission by and to the A.O.R. or electronic video screen communication, if any, by which members may participate) and purpose of the meeting, 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 twenty (20), but not more than 90, 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.

**(b) Board of Directors Meetings.**

(1) Notice of time and place of special meetings of the Board shall be delivered personally or by telephone to each Director or sent by first-class mail, fax or e-mail addressed to each director at that director's address as it is shown on the records of the A.O.R. In case the notice is mailed it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally, by telephone, fax or e-mail, it shall be delivered personally, by telephone, fax or e-mail at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the Director or to a person at the office of the Director whom the person giving the notice has reason to believe will promptly communicate it to the Director. Notice may also be left on a voice mail machine.

(2) Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though a meeting had been duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the Directors not present, signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 5. Quorum. A quorum for the transaction of business by the general membership shall consist of one-third of the voting power represented in person at a duly held membership meeting. A quorum for the transaction of business by the Board of Directors shall consist of fifty-one (51%) percent of the Directors. There shall be no voting by proxy. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting shall be the act of the body. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of enough directors or members to leave less than a quorum as long as a majority of the requisite quorum approves of the action taken. In the absence of a quorum, any meeting may be adjourned by the majority of the voting power present.

**Section 6. Action without a Meeting.** (a) Membership Meetings. 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 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 consents 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, subject to confirmation by the Board of Directors, the following standing committees:

Nominating  
Election  
Grievance  
Professional Standards  
Multiple Listing Service

**Section 2. Discretionary Committees.** The President may appoint from among the REALTOR® members, subject to confirmation by the Board of Directors, additional committees as deemed necessary. Examples are set forth below:

Education  
Equal Opportunity  
Finance  
Legislative  
Long Range Planning  
Past President Advisory  
Membership  
Public Relations

**Section 3. Task Forces or Work Groups.** The President may appoint from among the REALTOR® members, subject to confirmation by the Board of Directors, Task Forces or Work Groups as deemed necessary.

**Section 4. Term of Committee Appointments.** Committee members shall be appointed to one-year terms except that the members of the Grievance, Long Range Planning and Professional Standards committees shall be appointed to staggered three-year terms.

**Section 5. Organization.** All committees shall be of such size and shall have duties, functions and powers as assigned by the Board of Directors except as otherwise provided in these Bylaws.

**Section 6. President.** The President shall be an ex-officio non-voting member of all standing committees and shall be notified of their meetings.

**Section 7. Removal.** The President shall have the power, subject to confirmation by the Board of Directors, to remove any member from a committee.

## **ARTICLE XIII - FISCAL AND ELECTIVE YEAR**

**Section 1. Fiscal Year.** The fiscal year of the A.O.R. shall be the calendar year beginning January 1 and ending December 31.

**Section 2. Elective Year.** The elective year shall be the calendar year beginning January 1 and ending December 31.

## **ARTICLE XIV - RULES OF ORDER**

***(REQUIRES VERBATIM ADOPTION BY MEMBER ASSOCIATIONS)***

**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**

(a) Upon Majority Vote of Membership. These Bylaws may be amended by: (a) a majority vote of REALTOR® members present and qualified to vote 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 (b) a written ballot. If 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.

(b) Upon Majority Vote of Board. 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 or set forth in the C.A.R. Model Bylaws, or as otherwise permitted in California Corporation Code, Section 7150.

**Section 2. Notice.** 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 on such amendment at least twenty (20) calendar days prior to the meeting and shall plainly state the substance of the proposed amendment or amendments.

Section 3. Approval of Amendments by N.A.R. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the A.O.R. shall become effective upon their approval as authorized by the Board of Directors of N.A.R.

## **ARTICLE XVI - DISSOLUTION**

### ***(REQUIRES VERBATIM ADOPTION BY MEMBER ASSOCIATIONS)***

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

**Section 2. Purpose.** A Multiple Listing Service is a means by which authorized MLS 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. MLS Committee.** The A.O.R. President shall appoint, subject to the confirmation of the Board of Directors, a MLS Committee of REALTOR® members. All members of the committee shall be MLS participants or subscribers. The President shall select the MLS Committee chair and vice chair from among the MLS Committee members. The actions of the MLS Committee are subject to the approval of the Board of Directors.

**Section 4. Access to Comparable and Statistical Information.** Providing the MLS 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 MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive use of A.O.R. members and individuals affiliated with A.O.R. members who are also engaged in the real estate business. Except as otherwise specified in the MLS Rules and Regulations, this information may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm. A.O.R. members who receive such information are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.