

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

**ARTICLE I NAME**

**Section 1. Name.** The name of this organization shall be the BAKERSFIELD ASSOCIATION OF REALTORS®, Incorporated, hereinafter referred to as the "BAofR" or "Association."

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

**ARTICLE II - OBJECTIVES**

*(REQUIRED VERBATIM ADOPTION BY MEMBER BOARDS AND ASSOCIATIONS)*

**Section 1. Objectives.** The objectives of the Association 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 the NATIONAL ASSOCIATION OF REALTORS®. (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 sometimes "C.A.R.") and the NATIONAL ASSOCIATION OF REALTORS® thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.
- (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**

*(REQUIRED VERBATIM ADOPTION BY MEMBER BOARDS AND ASSOCIATIONS)*

**Section 1. Association Membership in N.A.R. and C.A.R.** The BAofR 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 BAofR's membership in N.A.R. and C.A.R., each REALTOR® member of the BAofR shall be entitled to membership in N.A.R. and C.A.R. without further payment of dues. The BAofR shall continue as a member of the 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 BAofR membership.

- Section 2. Ownership and Use of REALTOR® Membership Marks.** The BAofR recognizes the exclusive property rights of N.A.R. in the terms REALTOR® and REALTORS®. The BAofR may use the terms while it is a member in good standing of N.A.R. The BAofR 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 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 BAofR adopts the Code of Ethics and agrees to enforce the Code of Ethics among its REALTOR® members. The BAofR 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 BAofR 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 BAofR's Rules and Regulations or policies and these Bylaws of the BAofR (hereinafter "Bylaws") shall be controlled by the Bylaws.

## **ARTICLE IV - JURISDICTION**

*(REQUIRED VERBATIM ADOPTION BY MEMBER BOARDS AND ASSOCIATIONS)*

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

FIRST NORTHERN BOUNDARY LINE: Beginning at the northwest corner of Township 25 South, Range 23 East, Mount Diablo Base and Meridian, Kern County, California, said point being on the North line of said County of Kern; thence easterly along said North line to the centerline of Highway 65, Porterville Highway; thence

FIRST EASTERN BOUNDARY LINE: southerly, along said centerline of State Highway 65, Porterville Highway, to the centerline of Lerdo Highway, a point on the North line of Section 16, Township 28 South, Range 27 East; thence

SECOND NORTHERN BOUNDARY LINE: easterly along the North line of said Section 16, Sections 15, 14, 13 of said township; thence continue easterly along the North line of the following: Township 28 South, Range 29 East: Township 28 South, Range 30 East: Sections 18, 17, 16, 15 of Township 28 South, Range 31 East, to the northeast corner of said Section 15; thence

SECOND EASTERN BOUNDARY LINE: southerly along the East line of said Section 15, Sections 22, 27, 34 of last said township to the southeast corner of said Section 34, being on the North line of Section 2, Township 29 South, Range 31 East; thence easterly along the North line of said Section 2, to the northeast corner of said Section 2; thence southerly along the easterly line of the following Sections: said Sections 2, 11, 14, 23, 26, 35, of last said township: Sections 2, 11, 15, 23, 26, 35, Township 30 South, Range 31 East, to the southeast corner of said Section 35: thence westerly along the south line of said Section 35 to the El Tejon Rancho line; thence continue westerly along said Rancho line being the North line of Section 2 and partial Section 3 of Township 31 South, Range 31 East to a point on said partial Section 3: thence southwesterly along said Rancho Line common to said partial Section 3 and partial Sections 4, 9, 8, 17, 18, 19 to the westerly line of said partial Section 19; thence departing from said Rancho line, southerly along the East line of partial Section 24, partial Section 25 and Section 36 of said township; thence continue southerly along the East line of partial Township 32 South, Range 30 East, to the North line of partial Section 28, township 12 North, Range 17 West, San Bernardino Base and Meridian: thence southerly along the southerly prolongation of the East line of Township 32 South, Range 30 East, to the El Tejon Rancho Line; thence southeasterly along said Rancho Line to the East line of Section 13 Township 11 North, Range 17 West; thence departing from said Rancho Line southerly along said East line of said Section 13 and the East line of Section 24, 25, 36 of last said Township; thence continue southerly along the East line of Sections 1, 12, 13, 24, 25, fractional Section 36 of last said township; thence

**SOUTHERN BOUNDARY LINE:** westerly along the South line of fractional Sections 36, 35, 34, 33, 32 of said township to the aforesaid El Tejon Rancho Line; thence continue westerly along the westerly prolongation of the South line of said township to the centerline of right of way of Highway Interstate 5; thence southerly along said centerline to a point on the easterly prolongation of the South line of Township 10 North, Range 19 West; thence westerly along said easterly prolongation and the South line of partial Sections 32, 31 of last said township; thence continue westerly along the South line of Sections 36, 35, Township 10 North, Range 20 West, to the Northern boundary of the Los Padres National Forest; thence continue westerly along said South line and said Northern boundary to the southwest corner of Township 10 North, Range 20 West; thence northerly along the West line of said township and said Northern boundary to the southeast corner of Township 10 North, Range 21 West; thence westerly along the South line of last said township and said Northern boundary to the southwest corner of last said township and boundary; thence southerly along the East line of Township 10 North, Range 22 West, to the southeast corner of last said township; thence westerly along last said South line and North line to a point on the South line of Section 31, Township 10 North, Range 23 West, being the northwest corner of Section 6, Township 9 North, Range 23 West, also being a point on the Kern County, Ventura County boundary; thence continue westerly along said South line and said boundary to the southwest corner of said Section 31; thence

**WESTERN BOUNDARY LINE:** departing from said county line northerly along the West line of Township 10 North, Range 23 West, Township 11 North, Range 23 West, and fractional Township 12 North, Range 23 West, to the northwest corner of fractional Section 3 of said fractional township; thence westerly along the South line of Section 34, Township 32 North, Range 24 East, Mount Diablo Base and Meridian to the southwest corner of said Section 34; thence northerly along the West line of said Section 34, Sections 27, 22, 15, 10, 3, of said township; thence continue northerly along the West line of Sections 34, 27, 22, Township 31 South, Range 24 East, to the centerline of State Highway 33; thence northerly along said centerline to the North line of Section 4, Township 31 South, Range 25 East; thence westerly along the South line of Sections 33, 32, 31, Township 30 South, Range 25 East; thence continue westerly along the South line of Township 30 South, Range 24 East, and Township 30 South, Range 23 East, to the southwest corner of last said township; thence northerly along the West line of last said township and Township 29 South, Range 23 East, to the northwest corner of last said township, being the centerline of Seventh Standard Road; thence easterly along the North line of last said township (Seventh Standard Road) to the southwest corner of Township 28 South, Range 23 East; thence northerly along the West line of adjacent townships to the North line of Kern County and the true point of beginning.

**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 these 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: (a) REALTOR® Members; (b) Institute Affiliate Members; (c) Affiliate Members; (d) Public Service Members; (e) Honorary Members; and (f) Merited Members.

**Section 2. Qualifications of REALTOR® Members.**

**2.1 REALTOR® Members, whether primary or secondary, who are principals, partners, corporate officers or branch office managers of real estate firms shall:**

- (a) Maintain a current, valid California real estate broker license 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; and
- (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 if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted and (2) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

**2.2 REALTOR® members, whether primary or secondary, other than principals, partners, or 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; and
- (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 REALTOR® 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 if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted and (2) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

**2.3 REALTOR® members may be franchise corporate officers as described below in Article V, Section 2.7.**

**2.4 Designated REALTORS®.** Each firm shall designate in writing one REALTOR® member (the “Designated Realtor”) who shall be responsible for the conduct of individuals affiliated with the firm and accountable to the BAofR for all duties and obligations of BAofR membership, including, but not limited to, certification as set forth in Article VI, Section 10. 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, Section 2.1 of these Bylaws.

**2.5 Association of Choice.**

- (a) Primary Membership. Licensees affiliated with a REALTOR® firm may choose as their “primary” association any REALTOR® association within California where the firm maintains a Designated REALTOR®. If a REALTOR® is a primary member of the BAofR, the BAofR pays C.A.R. and N.A.R. dues for that individual.
- (b) Secondary Membership. A REALTOR® who has joined another REALTOR® association as a primary member may join the BAofR as a secondary member. There need not be a Designated REALTOR® member of this BAofR for licensees to select this BAofR 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 Required REALTOR® Membership of Officers and Partners.** All persons who are partners in a partnership or officers in a corporation, and actively engaged in the real estate profession within

the state of California or a state contiguous thereto or are franchise corporate officers as described below shall be ineligible for any class of membership other than REALTOR® membership. Each is required to hold REALTOR® membership individually in a local REALTOR® association in California or in a state contiguous thereto, if they meet all the other qualifications set forth in Article V, Sections 2.1, 2.2, or 2.3 of these Bylaws unless they otherwise qualify for Institute Affiliate membership as described in Article V, Section 3.

- 2.7 Franchise Corporate Officers.** Notwithstanding any other provision herein, 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 or salesperson or appraisal activities. Franchise Corporate Officers shall enjoy all of the rights, privileges and obligations of REALTOR® membership, including compliance with the N.A.R. Code of Ethics, **except:** obligations related to BAofR mandated education, meeting 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 BAofR, C.A.R., and N.A.R.
- Section 3. Qualifications of 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 NATIONAL ASSOCIATION OF REALTORS® 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 of 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, or are certified or licensed appraisers in the State of California, who do not maintain an active real estate license. Affiliate members have interests requiring information concerning real estate and sympathy with the objectives of the BAofR.
- Section 5. Qualifications of 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 in association with an established real estate business.
- Section 6. Qualifications of 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 BAofR, or for the public though not engaged in the real estate profession. If the Honorary Member has been a REALTOR® member of the Association who is retiring from active engagement in the real estate business, he shall not be entitled to vote nor hold office and shall not be required to pay that portion of local Association dues retained by the Association. However, if such Honorary Member wishes to continue to be termed a REALTOR® and receive C.A.R. and N.A.R. services, then such member shall inform the Association and continue to pay that portion of local Association dues necessary to enable the Association to meet its dues obligations to the California Association of REALTORS® and the National Association of REALTORS®.
- Section 7. Qualifications of Merited Members.** REALTOR® members of the Association who have faithfully served the Association for a period of twenty-five (25) years or more, and who have attained the age of seventy-five (75) years or who are younger than seventy-five years, but not in robust health, shall be eligible to be elected as Merited Members.
- (a) If the Merited Member is retiring from active engagement in the real estate business, he shall not be entitled to vote nor hold office.

- (b) If the Merited Member maintains an active real estate license, or is a state certified or licensed appraiser, and wishes to continue to use the term REALTOR® and receive C.A.R. and N.A.R. services, then such member shall inform the Association and continue to pay that portion of local dues necessary to enable the Association to meet its dues obligations to the CALIFORNIA ASSOCIATION OF REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®.
- (c) Real estate brokers who have salesperson(s) licensed to them, or State certified or licensed appraisers who have appraiser(s) licensed to them, are not eligible to become Merited Members.
- (d) The Board of Directors elects Merited Members.

**Section 8. Membership Application.**

- (a) Each applicant for membership shall submit an application in such manner and form as may be prescribed by the Board of Directors and give his or her consent that the Board of Directors, through its Membership Committee or otherwise, may obtain information about the applicant from any member, or 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, will 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 REALTOR® association within the past three (3) years; (2) pending ethics complaints or hearings; (3) unsatisfied discipline pending; (4) pending arbitration requests or hearings; (5) unpaid arbitration awards or unpaid financial obligations to any other REALTOR® association or its 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 BAofR, 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 attend an orientation program as may be required by the Board of Directors, its Membership Committee, or otherwise.
- (c) Applicants for REALTOR® membership shall certify: that they have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years; or (ii) criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date; and (3) that they have not been suspended or expelled from a REALTOR® association within the past three (3) 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 BAofR 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 BAofR or its members, such application may be rejected.

**Section 9. Prior Membership Records.** The BAofR may consider information received from other REALTOR® associations in determining whether an applicant satisfies BAofR's membership requirements. BAofR may request from any REALTOR® 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.

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

- (a) The Membership Committee shall determine whether the applicant is applying for the appropriate class of membership. It shall then give written notice to the REALTOR® members of such application and invite written comment. If one or more of the REALTOR® members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Membership Committee shall invite any objecting member to appear and substantiate his or her objections. Objections which are not substantiated shall be totally disregarded. The Membership Committee must: (1) inform the applicant in advance, in writing, of any objections and identify the objecting member; and (2) give the applicant an opportunity to appear before the Membership Committee and establish his or her qualifications. The Membership Committee may also request "core" information as defined in Article V, Section 9, from any association of which the applicant was previously a member. The Membership Committee shall thereafter make a written report of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws.
- (b) Within thirty days, or when practicable, the Membership Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is to reject the application, the applicant shall also receive a report and the reasons shall be specifically stated. If any member of the Membership Committee submits a dissenting recommendation, it shall also be reported to the applicant and Board of Directors. The applicant shall also be notified of his or 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 and then vote on the applicant's eligibility for membership. If the applicant appears, he or she may be represented by counsel, call witnesses on his or her behalf and make such statements as he or 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 or 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 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 BAofR 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 ethics complaints or arbitration requests or hearings are pending in other REALTOR® associations or where the applicant for membership has unsatisfied discipline pending in another REALTOR® association, provided all other qualifications for membership have been satisfied. The Association 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 months from the date that provisional membership is approved. Provisional members shall be considered

REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. 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 association of REALTORS®, and will abide by the decision of the hearing panel.
- (g) Upon withdrawal of an application for REALTOR® membership, either by voluntary decision of the applicant, by change of license status to no longer be eligible for membership, or by failure to complete the course of instruction outlined in Section 11 (b) of this Article, dues and initiation fee submitted with the application shall be returned to the applicant. The Association may, however, retain a processing fee of \$25 plus 1/12th of the amount of annual local dues multiplied by the number of months the application was pending.

**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 sixty (60) days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

**Section 12. Continuing Member Code of Ethics Training.** Effective January 1, 2010, through December 31, 2013, and for successive four year periods thereafter, each REALTOR® member of the BAofR (with the exception of REALTOR® members granted REALTOR® Emeritus status by the N.A.R.) shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the C.A.R., the N.A.R., or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the 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 four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until for the first two months (January and February) of the year following the end of any four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

**Section 13. Status Changes.**

- (a) REALTORS® who change the conditions under which they hold membership shall be required to provide written notification to the BAofR 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 of the BAofR. 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 Association 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 BAofR 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 BAofR 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 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 BAofR for dues, fees, fines or other assessments of the BAofR or any of its services, departments, divisions or subsidiaries, the BAofR will use any means at its disposal for collection and 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 BAofR to abide by the Bylaws, Policies and Rules and Regulations of the BAofR. Any member of the BAofR may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors for a violation of the Bylaws or the Rules and Regulations of the BAofR. If a hearing is required it shall be held in accordance with the *California Code of Ethics and Arbitration Manual*.

Although only REALTOR® members are subject to the Code of Ethics and its enforcement by the BAofR, 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 the BAofR, C.A.R. or N.A.R.

**Section 2. Member Discipline.**

- (a) Any member of the BAofR may be reprimanded, placed on probation, suspended or expelled for sexual harassment of an Association employee or an employee of its MLS after a hearing in accordance with the established procedures of the BAofR. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory 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 BAofR. 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 BAofR 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 BAofR or otherwise causes membership to terminate with a disciplinary complaint pending, the Board of Directors may condition the right of the resigning member to reapply for membership upon the applicant's certification that he or she will submit to the pending disciplinary hearing and comply with any sanction imposed. 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 whose financial obligations to the BAofR are paid in full shall be entitled to vote and to hold elective office in the BAofR. Proxy voting is not allowed.

**Section 5. Privileges and Duties of REALTOR® Members.**

- (a) It shall be the duty and responsibility of every REALTOR® member of this Association 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 VII, Section 2 of these Bylaws.
- (b) REALTOR® members have the primary responsibility to safeguard and promote the standards, interests and welfare of the BAofR and the real estate profession.
- (c) REALTOR® members 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 BAofR 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.
- 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 or Merited Members.** Honorary membership and Merited membership shall confer only the right to attend meetings and participate in discussions. However, if the Honorary or Merited member maintains an active real estate license, previously qualified for REALTOR® membership, continues to pay that portion of local Association dues necessary to enable the Association to meet its dues obligations to C.A.R. and N.A.R., they shall retain the privileges and duties of REALTOR® members.
- Section 10. Certification by Designated REALTOR®.** Designated REALTORS® shall certify to the BAofR during the first month of each fiscal year, on a form provided by the BAofR, a complete listing of all individuals licensed or certified under California law with the REALTOR® firm(s) and shall designate the primary REALTOR® Association, if any, for each individual. These declarations shall be used for purposes of calculating dues under Article IX, Section 2 of these Bylaws. Designated REALTOR® members shall also notify the BAofR 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** **(REQUIRED VERBATIM ADOPTION BY MEMBER BOARDS AND ASSOCIATIONS)**

- Section 1. Professional Standards and Arbitration.** The responsibility of the BAofR 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 BAofR to abide by the Constitution and Bylaws and the Rules and Regulations of this BAofR, the Constitution and Bylaws of C.A.R., the Constitution and Bylaws of 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 BAofR 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®**  
**(REQUIRED VERBATIM ADOPTION BY MEMBER BOARDS AND 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 BAofR 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 *California Code of Ethics and Arbitration Manual*.
- Section 2. Jurisdictional Limits on Use of REALTOR® Membership Marks.** REALTOR® members of the BAofR 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 BAofR. 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 BAofR and shall become the property of the BAofR upon final approval of the application. The Board of Directors may adopt an application fee for Institute Affiliate membership not in excess of the annual dues for Institute Affiliate members.
- Section 2. Dues.**
- (a) The Board of Directors shall determine annually the amount of annual dues 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 10, 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 REALTOR® Association within California or a state contiguous thereto or Institute Affiliate members of this BAofR. In calculating the dues payable to the BAofR by a Designated REALTOR® member, non-member licensees as defined in (1) and (2) of this subparagraph 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 BAofR 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 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, managing, counseling, appraising or arranging financing for real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Article IX, Section 2(b) and shall not be included in calculating the annual dues of the Designated REALTOR®.

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

- (c) The annual dues of REALTOR® members shall not include any allocation for C.A.R., if the member is a member of a REALTOR® 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 a REALTOR® 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 subparagraph (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) Dues for Institute Affiliate Members of the BAofR may not exceed two and one-half times the amount established pursuant to Article II of N.A.R.'s bylaws.
- (g) The dues established by the Board of Directors shall be consistent with the annual budget approved by the Board of Directors.
- (h) The amount of local dues will be published to members thirty (30) days in advance of billing.

**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 BAR are nonrefundable, except for those dues returned to a terminated provisional member as provided in Article V, Section 10.

- (a) Except as provided in Article V, Section 10, dues become the property of the Association when paid and no portion is refundable after final approval of any application.
- (b) Any increase in annual dues assessed after January 1 shall be due 30 days after written notification to the member of the additional assessment.

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

- (a) The Board of Directors may assess a late payment charge if dues, fees, fines, or other assessments are not paid within ten (10) days after the due date, which late payment charge may be increased with the passage of time but in no event shall ever exceed fifty percent (50%) of the unpaid amount.
- (b) If dues, fees, fines, or other assessments including amounts owed to the BAofR 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.
- (c) 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 Association to suspend or expel the member.
- (d) 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 Association, 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.
- (e) 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 BAofR 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.
- (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 BAofR 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.
- (g) Any member who initiates bankruptcy proceedings may be placed on a “cash basis” from the date that bankruptcy is initiated until one year from the date that the member has been discharged from bankruptcy.

- 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 BAofR or any of its services, departments, divisions or subsidiaries may apply for reinstatement in the manner prescribed for new applicants for membership, only after making payment in full of all accounts due as of the date of termination, 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, reimbursement to the Association for any collection fees paid, together with the payment of the application fee required of new applicants; provided, however, that if the member has been expelled for non-payment of dues and if the member applies for reinstatement prior to the end of the year in which his or her expulsion occurred, said member need only pay the delinquent amount and any late charge in order to be reinstated.
- Section 6. Deposit.** All monies received by the BAofR for any purpose shall be deposited to the credit of the BAofR 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 BAofR or its Multiple Listing Service shall be noticed to the delinquent member in writing, by first class mail to the last known address, setting forth the amount owed and due date.

## **ARTICLE X – OFFICERS AND DIRECTORS**

- Section 1. Officers.** The elected officers of the BAofR shall be President, President-Elect, Vice President, and Secretary/Treasurer (Chief Financial Officer). The President-Elect shall automatically ascend to the presidency at the end of his or 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 Executive Officer is the chief staff person of the BAofR, but is not an officer or member of the Board of Directors.
- 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. Duties of the Secretary/Treasurer may be accomplished through the office of the Association's Executive Officer at the discretion of the Board of Directors.
- Section 3. Board of Directors.** The governing body of the BAofR shall be a Board of Directors consisting of the elected officers, eight REALTOR® members of the BAofR, plus the immediate Past President. All directors including the elected officers 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. Thereafter, as many Directors shall be elected each year as are required to fill vacancies.
- Section 4. Limited Number of Directors from One Agency.** The number of persons from the Board of Directors from any Designated REALTOR® agency shall be limited to two. In the event that an Officer/Director transfers his or her license to a Designated REALTOR® that has two persons currently serving on the Board of Directors, the Directors from that office will caucus within thirty (30) days to determine who will relinquish their office/directorship.
- Section 5. 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 BAofR 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 BAofR to any committee so long as the ultimate direction is provided by the Board of Directors.

**Section 6. 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 officer 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 months before the annual election, a Nominating Committee of at least five (5) REALTOR® members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select a minimum of one candidate for each office and a minimum of one candidate for each place to be filled on the Board of Directors. 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. The report of the Nominating Committee shall be mailed to each member eligible to vote at least four weeks preceding the election.
- (c) Nomination by Petition. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 25% of the REALTOR® members eligible to vote. The petition shall be filed with the Secretary at least five weeks before the election. The Secretary shall deliver notice of such additional nominations to all members eligible to vote at least four weeks before the election.
- (d) Election Committee. The President, with the approval of the Board of Directors, shall appoint an Election Committee of three (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 all REALTOR® members qualified to vote. 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. The candidate receiving the most votes for the position shall be considered elected whether or not the number of REALTOR® members providing ballots would have been sufficient to constitute a quorum at a duly called membership meeting. In case of a tie vote, the issue shall be determined by lot.

**Section 7. 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 8. Removal of Officers and Directors.** In the event that an officer or director is deemed to be incapable 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-five (25) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the BAofR 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 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 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 9. Expenditures.** The Board of Directors shall administer the day to day finances of the BAofR. Unbudgeted capital expenditures in excess of \$200,000 may not be made unless authorized by a majority of the BAofR members eligible to vote and present at a duly held membership meeting. However, unbudgeted 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 BAofR. Capital expenditures are those expenditures for long term improvements chargeable to the capital asset account.

**Section 10. Annual Report.** An annual report as required by California Corporations Code Section 8321 shall be prepared not later than 120 days following the close of the Association's fiscal year. The Association shall notify each member yearly of the member's right to receive the annual report, and shall promptly cause the most recent report to be sent to any requesting member. The report shall also contain any information required by California Corporations Code Section 8322. The Board of Directors in its discretion may have the financial statements contained in such report audited or reviewed by independent accountants and the report shall be accompanied by any report thereon by such independent accountants or by a certificate from the Secretary/Treasurer that the statements in the report were prepared without audit from the Association's books and records.

## **ARTICLE XI – MEETINGS**

**Section 1. Annual Meetings.** The annual meeting of the BAofR shall be held during June of each year, 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 and place of meetings. Absence from three consecutive regular and/or special meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation by the absent director, and the Board of Directors may declare the office or position vacant without the need to remove the person as an officer or director pursuant to the procedure set forth in Section 8 of Article X of these Bylaws.

**Section 3. Other Meetings.** Meetings of the members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least 25% of the members eligible to vote.

**Section 4. Notice of Meetings.** Written notice of membership meetings shall be delivered personally or sent by first class mail, facsimile, electronic mail or other electronic means to the address shown on the current BAofR records of every member entitled to participate in the meeting at least twenty (20), but no more than ninety (90), calendar days preceding all meetings. The BAofR may also publish notice of membership meetings in any publication regularly sent, with the regular distribution procedure, to all members of the BAofR. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

**Section 5. Quorum.** A quorum for the transaction of business by the general membership shall consist of fifteen percent (15%) of the members eligible to vote and present at a duly held membership

meeting. A quorum for the transaction of business by the Board of Directors shall consist of fifty-one percent (51%) of the Directors.

**Section 6. Voting of Membership.** At any annual or special meeting duly called and noticed to all voting members, a membership vote on any motion or proposal shall be conducted, provided the substance of the motion or proposal is plainly stated in the notice of the meeting. If the President, with the approval of the Board of Directors, desires to conduct voting on the motion or proposal in the absence of a quorum, such fact shall be included in the notice of the annual or special meeting. In that event, the President, with the approval of the Board of Directors, shall appoint a Voting Committee of three (3) disinterested REALTOR® members to conduct the voting. If a quorum is not present and a Voting Committee has been established to conduct the voting on the motion or proposal, those in attendance at the meeting may cast their votes by ballots at the meeting. Those not in attendance at the meeting shall cast their votes by ballot at the time and in the manner prescribed by the Voting Committee provided that all voting is completed within ten (10) business days after the meeting. In the event less than a quorum of the members eligible to vote cast a ballot, then notwithstanding anything in these bylaws to the contrary, the Board of Directors shall be entitled by majority vote to adopt the motion or proposal being voted upon by the members within thirty (30) days of conclusion of the voting.

## ARTICLE XII – COMMITTEES

**Section 1. Standing Committees.** The Association shall have the following standing committees:

Education	Finance/Long Range Planning	Membership
Equal Opportunity	Grievance	Professional Standards
Executive	Local Government Relations	

The Executive Committee shall consist of the President, the immediate Past President, the President Elect, the Vice-President, and the Secretary/Treasurer. The President shall appoint from among the REALTOR® members, subject to confirmation by the Board of Directors, the members of all other standing committees.

**Section 2. Other Committees.** In addition to committees named in Section 1, the President shall appoint other standing or special committees as deemed necessary.

**Section 3. Term of Committee Appointments.** Committee members shall be appointed to one year terms except that the members of the Grievance, Finance/Long Range Planning and Professional Standards committees shall be appointed to staggered three-year terms.

**Section 4. Organization.** All committees shall be of such size and shall have duties, functions and powers as assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

**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. Attendance by Telephone.** Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

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

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

## **ARTICLE XIV – RULES OF ORDER**

*(REQUIRED VERBATIM ADOPTION BY MEMBER BOARDS AND 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 BAofR, 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 members present and qualified to vote at any annual or special 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) by written ballot if a quorum is not present at such meeting, under the procedure provided in Section 6 of Article XI. These Bylaws may be amended by the Board of Directors under the procedure provided in Section 6 of Article XI if insufficient ballots to constitute a quorum are cast by voting members. 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. or C.A.R. policy.

**Section 2. Notice.** Notice of all meetings of the membership at which amendments are to be considered shall be delivered personally, by regular mail, facsimile, electronic 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 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 BAofR, shall become effective upon their approval as authorized by the Board of Directors of N.A.R.

## **ARTICLE XVI – DISSOLUTION**

*(REQUIRED VERBATIM ADOPTION BY MEMBER BOARDS AND ASSOCIATIONS)*

**Section 1. Dissolution.** Upon the dissolution or winding up of affairs of this BAofR, 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.