

**BYLAWS  
OF THE  
CONTRA COSTA  
ASSOCIATION OF REALTORS®**

**(Effective July 10, 2017)**

**BYLAWS OF THE  
CONTRA COSTA ASSOCIATION OF REALTORS®**

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**BYLAWS OF THE**  
**Contra Costa Association of Realtors®**  
**(Adopted July 31, 2000)**

**ARTICLE I – NAME**

Section 1. Name. The name of this organization shall be the Contra Costa Association of REALTORS®" (hereinafter referred to as the "A.O.R., "Association" or "CCAR". 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 "NAR") as from time to time amended.

**ARTICLE II – OBJECTIVES**

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

- (a) To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the 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 NAR (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 NAR 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**

Section 1. Association Membership in NAR and C.A.R. The A.O.R. shall be a member of NAR and C.A.R. as defined in the governing documents of NAR and C.A.R. By reason of the A.O.R.'s membership in NAR and C.A.R., each REALTOR® member of the A.O.R. shall be entitled to membership in NAR and C.A.R. without further payment of dues. The A.O.R. shall continue as

a member of NAR and C.A.R., unless by a majority vote of all of its REALTOR® members the decision is made to withdraw, in which case NAR and C.A.R. shall be notified in writing at least one month in advance of the date designated for the termination of the Association's membership.

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

Section 3. Adoption & Enforcement of NAR Code of Ethics; Compliance with NAR & C.A.R. Governing Documents & Policies. The A.O.R. adopts the NAR Code of Ethics and agrees to enforce the Code of Ethics among its REALTOR® members. The Association (A.O.R.) and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, Code of Ethics and policies of NAR 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 NAR and C.A.R. and these Bylaws. Any inconsistencies between the A.O.R.'s Rules and Regulations or policies and the Bylaws of the A.O.R. (hereinafter "Bylaws") shall be controlled by the Bylaws.

## **ARTICLE IV – JURISDICTION**

Section 1. Description of Jurisdiction. The territorial jurisdiction of the A.O.R. as a member of NAR shall include all that territory located within a portion of Contra Costa County, State of California, which includes the cities and/or communities of Alamo, Blackhawk, Clayton, Clyde, Concord, Danville, Diablo, Lafayette, Martinez, Moraga/Canyon, Orinda, Pacheco, Pleasant Hill, Rossmoor, San Ramon, and Walnut Creek. A map and description as recorded with and approved by C.A.R. on August 9, 1973 and by NAR on November 15, 1973, are on file with the Association and by this reference are incorporated into these Bylaws. As approved by NAR on December 2, 2013, effective January 1, 2014, additional territorial jurisdiction includes the territory of the former West Contra Costa Association of REALTORS® described as follows: NORTHERN BOUNDARY: The Northern Boundary Line is that portion of the North Boundary Line of Contra Costa County lying along Carquinez Straits from that point immediately North of the place of Eckley, Westerly to that point where the North Boundary line of Contra Costa County intersects with the West Boundary line of Contra Costa County; EASTERN BOUNDARY: The Eastern Boundary Line is that starting at that point on the Northern Boundary of Contra Costa County immediately north of the place of Eckley, thence Southerly to the Northernmost end of the face of the San Pablo Dam, thence Southwesterly along the face of the San Pablo Dam to the Southernmost end of the San Pablo Dam, thence Southwesterly to a point tangent to the Eastern Boundary of Tilden Regional Park, thence Southward along this boundary to the intersection of Wildcat Canyon Road, thence Southwesterly along Wildcat Canyon Road to the point of intersection with the Contra Costa County/Alameda County line, thence Northwesterly along the Western Boundary of Tilden Regional Park to the point of intersection with the Southernmost Boundary of the City of Richmond; SOUTHERN BOUNDARY: The Southern Boundary Line is that

line starting at the point of intersection of the Western Boundary of Tilden Regional Park with the Southernmost Boundary of the City of Richmond, thence Southwesterly and then Northwesterly along this boundary to a point of intersection with the city limit of El Cerrito, thence Southwesterly and then Southerly to a point of intersection with the Contra Costa County/Alameda County line, thence Westerly to the Western Boundary of Contra Costa County; WESTERN BOUNDARY: The Western Boundary Line is that line delineating the Western Boundary of Contra Costa County, including, but not limited to, the communities of El Cerrito, Richmond Annex, Richmond, Point Richmond, San Pablo, El Sobrante, Pinole, Hercules, Rodeo, Crockett specifically excluding that unincorporated portion of Contra Costa County lying beyond the Easterly boundary of the City of El Cerrito known locally, in 1975, as Kensington. All within the County of Contra Costa, California.

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 NAR, and to protect and safeguard the property rights of NAR in those terms.

## **ARTICLE V - MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE**

Section 1. Classes of Membership. The A.O.R. shall have five classes of membership: REALTOR® Members, Institute Affiliate Members, Affiliate Members, Emeritus Members and Honorary Members.

- (a) In transitioning from an association with both REALTOR® and REALTOR®-ASSOCIATE members to one in which there are only REALTOR® members as defined in ARTICLE V, all REALTOR®-ASSOCIATE members are fully vested as REALTOR® members as if they had been REALTOR® members from the time they initially joined the Association.

Section 2. Primary and Secondary REALTOR® Members. An individual is a primary member of the A.O.R. if the Association pays C.A.R and NAR dues for that individual. An individual is a secondary member if C.A.R. and NAR dues are remitted through another board or association. However, when an individual is a secondary member of the Association and a primary member of local board or association in a state other than California, C.A.R. dues will be remitted through the A.O.R. There must be a Designated REALTOR® member of this A.O.R. for licensees affiliated with the firm to select the Association as their primary board or association. There need not be a Designated REALTOR® member of this A.O.R. for licensees affiliated with the firm to select this A.O.R. as their secondary board or association.

Section 3. Qualifications of REALTOR® Members.

- (a) REALTOR® members, whether primary or secondary, who are principals, partners, corporate officers or branch managers of real estate firms or Trustees of Trusts shall
- (1) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license; and
  - (2) 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), or Trustee of a Trust and
  - (3) Remain actively engaged in the real estate profession; and

- (4) Maintain or be associated with a real estate office located within the state of California or a state contiguous thereto and
  - (5) 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 with 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 (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).
- (b) REALTOR® members, whether primary or secondary, other than principals, partners, corporate officers, branch office managers of real estate firms, or Trustees of Trusts shall:
- (1) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license; and
  - (2) Remain actively engaged in the real estate profession; and
  - (3) Remain employed by or affiliated as an independent contractor with a REALTOR® member who meets the requirements in Section 3(a) hereof of this Article V for any Association in the State of California or a state contiguous hereto.
  - (4) 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 with 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 (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).
- (c) REALTOR® members may be franchise corporate officers as described below in Section 11 hereof.
- (d) 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 4.

Section 4. Qualifications of Institute of Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation awarded by a qualified Institute, Society or Council affiliated with the NAR 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 5. Qualifications of Affiliate Members. Affiliate members shall be individuals engaged in activities related to the real estate profession, who are not qualified for REALTOR® membership. Affiliate members have interests requiring information concerning real estate and are in sympathy with the objectives of the Association. Affiliate membership may be granted to licensed or certified appraisers who, if otherwise eligible, do not elect to hold REALTOR® membership in the local association of REALTORS®. Affiliate membership shall be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the Association, provided the applicant is engaged exclusively in a specialty of the real estate business other than sales brokerage of real property.

Section 6. Qualifications of Emeritus Members. Emeritus members shall be individuals who have rendered outstanding and distinguished service to the real estate profession, to the Association, and to the public, have been a REALTOR® for at least twenty-five (25) years, fifteen (15) years of which were with the Association, have attained the age of fifty-five (55), and are elected to such membership status by the Board of Directors in accordance with the following provisions;

- (a) Such individuals must be nominated by at least twenty-five (25) REALTOR® members or two (2) members of the current Board of Directors, receive the recommendation of the Emeritus Member Evaluating Ad hoc Committee, be a REALTOR® member of the Association at the time of nomination, and must be elected to such membership status by the vote of at least seventy-five (75) percent of the Board of Directors. Nominations shall be submitted no later than a date to be determined annually by the Board of Directors. A REALTOR® member who is elected to Emeritus Membership status shall be entitled to all services made available to REALTOR® members of the Association, including the right to vote and be eligible to hold elected office. Emeritus members shall not be required to pay membership dues to the Association, and shall have the option to continue membership in CA.R. and NAR upon payment of the appropriate dues.

Section 7. Qualification of Honorary Members. Honorary members shall be individuals who have been REALTORS® for at least twenty (20) years, ten (10) years of which were with the Association, who have retired from the real estate profession and resigned their membership in the Association, and are elected to such membership status in accordance with the following provisions.

- (a) Such individuals must be nominated by a member of the current Board of Directors, must have been a REALTOR® member of the Association at the time of retirement, and must be elected to Honorary Membership status by a majority vote of the Board of Directors. Honorary members shall be entitled to receive a copy of the Association's official publications, and shall have the right to attend all general meetings, and, upon payment of the appropriate fees, to attend educational programs sponsored by the Association. Honorary Members shall not have the right to vote or hold office.

Section 8. Designated REALTORS®. Each firm shall designate in writing one REALTOR® member who shall be responsible for the conduct of individuals affiliated with the firm and accountable to the Association for all duties and obligations of Association membership. 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 arbitration and must meet all the other qualifications for REALTOR® membership set forth in Section 3 hereof.

Section 9. 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 board or association in California or a state contiguous thereto, if they meet all the other qualifications set forth in Section 3 hereof, unless they otherwise qualify for Institute Affiliate membership as described in Section 4 hereof.

Section 10. 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 NAR (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 Code of Ethics, except: obligations related to board 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 Association, C.A.R., and NAR.

Section 11. Membership Application.

- (a) Each applicant for membership shall submit an application in such manner and form as may be prescribed by the Association Board of Directors (hereinafter "Board of Directors") and give his/her consent that the Board of Directors, through the Association Membership Committee (hereinafter "Membership Committee") or otherwise, may obtain information about the applicant from any member or other persons and that any information furnished to the Board of Directors by any person 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 NAR Code of Ethics violations and violations of other membership duties in any other association of REALTORS® within the past three years; (2) pending ethics complaints or hearings at the Association; (3) unsatisfied discipline pending at the Association; (4) pending arbitration requests or hearings; (5) unpaid arbitration awards or unpaid financial obligations to any other board or association or 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 Association, the Bylaws of C.A.R. and the NAR 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® memberships 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 with 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 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 violation of the N.A.R. Code of Ethics.
- (d) Applicants who are sole proprietors, general partners, corporate officers or branch office managers (Section 3(a) hereof) 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 Association 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 Association or its members, such applications may be rejected.

Section 12. Application Review and Acceptance. The procedure for acceptance to membership shall be as follows:

- (a) The Association shall determine whether the applicant is applying for the appropriate class of membership. If the A.O.R. does not have a standing Membership Committee, the AOR's Executive Officer/staff may act in this capacity. The Association shall conduct all proceedings in accordance with procedures established by the Board of Directors and in compliance with these Bylaws.
- (b) The Association shall recommend candidates for membership to the Board of Directors, who shall elect the members.
- (c) The Association may not reject an application without providing the applicant with advance notice of the findings and recommendations for such rejection. A rejected applicant shall have an opportunity to appear before the Board of Directors, to call witnesses on his 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 Executive Officer/Secretary. 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 declaratory judgment by a court of competent jurisdiction, of a final judgment declaring that the rejection violates no rights of the applicant.

Section 13. 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 14. Continuing Member Code of Ethics Training. Every two-year period, starting with the period from January 1, 2017 through December 31, 2018, and for successive two 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 biennial 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 Association, C.A.R., N.A.R., or any other recognized educational institution. 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 two-year cycle shall not be required to complete additional ethics training until a new two-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 two-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 15. Status Changes.

- (a) REALTORS® who change the conditions under which they hold membership shall be required to provide written notification to the Association 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 these 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) A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all the privileges and obligations of membership during the period of transition. If the transfer is not completed within three (3) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.
- (c) If the licensed status of any member is terminated, his or her membership in the Association shall terminate automatically. If any member ceases to meet any other ongoing qualification of membership, the Board of Directors may terminate his or her membership. Each member shall have the affirmative duty to notify the Association of any changes in their license status.
- (d) 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 16. Resignations

(a) 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 ethic 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 after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

- (b) If a member resigns from the Association without having complied with an arbitration award, the Board of Directors may condition any application of the former member upon their promise to pay the award, plus any costs that have previously been established as due and payable by the former member, provided that the award has not, in the meanwhile, been otherwise satisfied.

(c) Payments Pending. Resignations of members shall become effective when received in writing by the Association, provided, however, that if any member who submits a resignation is indebted to the Association for dues, fees, fines or other assessments of the Association or any of its services, departments, subdivisions or subsidiaries, the Association may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

Section 17. Membership Records. The Association shall keep a current record of membership in accordance with California law. Such records shall be kept at the principal office of the Association and shall be subject to the rights of inspection required by law, as set forth in Article VI, Section 11 and Article X, Section 5(a).

## **ARTICLE VI - PRIVILEGES AND OBLIGATIONS OF MEMBERSHIP**

Section 1. Privileges and Obligations. The privileges, voting rights and obligations of members, in addition to those otherwise provided in these Bylaws shall be as specified in this Article.

Section 2. Voting Rights and Eligibility for Elective Office. Only REALTOR® members in good standing shall have the right to vote in the election of Directors and Officers and at meetings of the Association. Each member entitled to vote shall have one (1) vote. Cumulative voting, proxy voting, and absentee ballots are prohibited.

Section 3. Violation of Bylaws, Policies, Rules and Regulations. Any member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Policies not inconsistent with these Bylaws, after a hearing as provided in the Association's Professional Standards Arbitration Manual and/or the Association's Professional Standards Ethics Hearing Manual ("Arbitration and Ethics Manuals"), which by this reference are incorporated herein. (These manuals conform with the California Code of Ethics and Arbitration Manual promulgated by C.A.R.) Although members other than REALTORS® are its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of NAR, and conduct their business and professional practices accordingly. Further, members other than those subject to the Code of Ethics may, upon recommendation of an appropriate committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a non-discriminatory basis, reflects adversely on the terms REALTOR® and REALTORS® and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purpose of the Association, C.A.R. and NAR.

### Section 4. Member Discipline.

Any member of the A.O.R. may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association officer or director after an investigation in accordance with the procedures of the A.O.R. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language,

unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The 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 A.O.R. Disciplinary action may include any sanction authorized in the *California Code of Ethics and Arbitration Manual*. If the complaint names the President or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest-ranking officer not named in the complaint. (Motion K. BOD Meeting of December 15, 2011)

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

- (a) It shall be the duty and responsibility of every REALTOR® member of the Association to abide by the Constitution and Bylaws of C.A.R., the Constitution and Bylaws of NAR and to abide by the Code of Ethics of the National Association of REALTORS®, as set forth in Article VII, Section 2 of these Bylaws.
- (b) REALTOR® members in good standing whose financial obligations to the Association are paid in full shall be entitled to vote for Officers and Directors and to hold elective office in the Association. REALTOR® members may use the terms REALTOR® and REALTORS® which use shall be subject to the provisions of Article VIII.
- (c) REALTOR® members may use the terms REALTOR® and REALTORS® which use shall be subject to the provision of Article VIII.
- (d) REALTOR® members have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.
- (e) If a REALTOR® member is a sole proprietor, principal in a firm, partner in a partnership, officer in a trust or corporation, or a Designated REALTOR®, and the membership of such member is suspended or terminated, the firm, partnership, trust, or corporation of which such member is a principal shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension or termination, or until readmission of such principal to REALTOR® membership, or unless connection with the firm, partnership, trust, or corporation is severed, or management control is relinquished, whichever may apply.
- (f) The membership of REALTORS® other than principals 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, trust 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 the membership of a REALTOR® member who is other than a principal in the firm, partnership, trust or corporation is suspended or terminated, the use of the terms REALTOR® or REALTORS® by the firm, partnership, trust or corporation shall not be affected.

Removal of an individual from any form or degree of management control must be certified to the Association 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.

- (g) In any action taken against a REALTOR® member for suspension or expulsion under Section 5(e) hereof, 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 Section 5(e) and Section 5(f) hereof shall apply.

Section 6. Affiliate Members. Affiliate members shall have the rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 7. Institute Affiliate Members. Institute Affiliate members shall have the rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of NAR.

Section 8. Certification by Designated REALTOR®. The Designated REALTOR® members of the Association shall certify to the Association during a month prescribed by the Board of Directors, on a form provided by the Association, a complete listing of all individuals licensed or certified with his/her firm(s) within the state 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 these Bylaws. The Designated REALTOR® shall also notify the Association of any changes related to individual(s) licensed or certified with said firm(s) within thirty (30) days of the date of any such change.

Section 9. Inspection by Members. As provided in the California Corporations Codes, members shall have the right to inspect at reasonable times all records of the Association, with the exclusion of membership files, provided that a written request is received at least five (5) business days prior to the desired date of such inspection. The right of inspection may be exercised by a member or members, for a purpose reasonably related to such person's interest as a member. A written explanation of purpose must be included in the written request for inspection.

Section 10. Transfer of Membership. Membership and membership rights in the Association are not transferable. All membership rights cease upon dissolution of the Association, the death of the member, or termination of membership.

Section 11. Member Liability. A member of the Association shall not be, solely because of such membership, personally liable for the debts, obligations, or liabilities of the Association.



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

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

Section 2. Member Compliance with NAR and C.A.R. Constitution, Bylaws, Policies, Rules, Regulations, and REALTOR® Code of Ethics. It shall be the duty and responsibility of every REALTOR® member of this A.O.R. to abide by the Constitution and Bylaws and the Rules and Regulations of this A.O.R., the Constitution and Bylaws of C.A.R., the Constitution and Bylaws of NAR, 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 from time to time amended by C.A.R.* By becoming and remaining a member, every REALTOR® member agrees that he/she and the corporation or firm for which he/she acts as a partner, officer, principal, or branch office manager, will submit to arbitration through the A.O.R. all disputes with any other member or member of the public subject to the conditions set forth in the *California Code of Ethics and Arbitration Manual*.

## **ARTICLE VIII - USE OF THE TERMS REALTOR® and REALTORS®**

Section 1. Use and Control of REALTOR® Membership Marks. Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of NAR 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 NAR, 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 NAR.

## **ARTICLE IX - DUES AND FEES**

Section 1. Application Fee. The Board of Directors may adopt an application fee for membership in a reasonable amount, but not to exceed three (3) times the amount of the annual dues for the applicable class of membership. Such fee shall be required to accompany each application for membership, and shall become the property of the Association upon submission of the application. The application fee is not refundable if the applicant is not elected to membership or fails to complete all the requirements of membership.

### Section 2. Dues

- (a) The Board of Directors shall annually determine the amount of dues and application fee to be paid to the AOR 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 9, 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 Association. In calculating the dues payable to the Association (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 Association in writing of the identity of the Association to which the 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 that entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or 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®.

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 license endorsement (MLO) 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 Multiple Listing Service. The individuals disclosed on such forms shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Article IX, Section 2(b) and shall not be included in calculating the annual dues of the Designated REALTOR®.

The exemption for any licensee included on the certification forms shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling or appraising other than referrals, providing services for which a real estate license is required, other than those for which an MLO license is required, or being a participant or subscriber of any Multiple Listing Service, and dues for the current fiscal year shall be payable.

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 each Institute Affiliate Member shall be as established in Article II of the Bylaws of the National Association of REALTORS®.
- (d) In the case of a Designated REALTORS® 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 Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

Section 3. Dues Payable. Dues for all members shall be due and payable annually in advance on a date to be specified by the Board of Directors. 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.

Dues Obligation of Designated REALTOR®. In the event a sales licensee who holds REALTOR® membership is dropped for nonpayment of Association dues, and the licensee remains with the Designated REALTOR'S® firm, the dues obligation of the Designated REALTOR® (as set forth in Section 2 hereof) will be increased to reflect the addition of a non-member licensee. The increased dues shall be calculated from the first day of the current fiscal year, and are payable within thirty (30) days of notice.

- (a) Use of Charge Cards. The Board of Directors may authorize the use of one or more charge cards by members for the payment of initiation fees and membership dues.

Section 4. Nonpayment of Financial Obligations. Invoices for dues, fees, fines, accounts receivable and other assessments shall be dispatched one month (30 days) before the due date. If payment for such amounts is not received by the association as of the due date, the nonpaying member shall be suspended for a period of one-month (30 days). If the amount owed is not paid by the nonpaying member before the end of the suspension period (a total of two months after the invoice date), the member shall be terminated from membership. However, no action shall be taken to suspend or expel a member for nonpayment of amounts owed and/or disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had their membership terminated for nonpayment of monies owed to the Association may apply for reinstatement in the manner prescribed for new applicants for membership, after making payment in full of all monies due as of the date of termination.

- (a) Partial Payment of Dues. Erroneous payment of less than the full amount required for all dues and associated late fees shall be rectified within fifteen (15) days after mailing by the Association of written notice thereof. If payment is not received by the Association within 15 days after mailing of such notice, the member shall be deemed to have effectively resigned and the partial payment shall be refunded. The Association may, at its discretion, retain a portion of the insufficient amount paid as a service charge for executing the refund.

Section 5. Notice of Financial Obligation of Members. All dues, fees, fines, accounts receivable, other assessments, or other financial obligations due to the Association shall be noticed to the members in writing setting forth the amount owed and the due date. Members shall pay all fees, dues, fines and costs prescribed by these Bylaws and by the Board of Directors

Section 6. Late Fees. The payment of any monies due to the Association and properly noticed to the member not made by the due date shall be subject to a late fee of ten (10) percent of the amount owed or \$25.00, whichever is greater, unless changed by the Board of Directors.

Section 7. Effect of Resignation or Termination. All rights of a member shall cease on the effective date of resignation or termination of membership. However, resignation or termination shall not relieve such member from any obligation for charges incurred for services or other benefits actually rendered fines, dues, or other charges arising from contract or otherwise. The Association shall retain the right to enforce any such obligation or obtain damages for its breach.

Section 8. Miscellaneous Fees. The Board of Directors shall determine and establish all fees and costs for services and supplies available to the members.

Section 9. Deposit. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors

Section 10. 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 Association 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**

Section 1. Officers. The officers of the Association shall be: a President; a President-Elect; a Treasurer, who shall be the Chairperson of the Budget & Finance Committee, and a Secretary. The President-Elect shall automatically ascend to the presidency at the end of his or her term as President-Elect. No person shall hold more than one office at the same time. The Secretary shall serve in a non-elected, non-voting capacity.

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 as established as policy by the Board of Directors. It shall be the particular duty of the Secretary to keep the records of the Association and its Board of Directors and to carry on all necessary correspondence with NAR and C.A.R.

Section 3. Board of Directors. The governing body of the Association shall be the Board of Directors consisting of twelve (12) members, comprised as follows:

- the President, President-Elect and Treasurer
- Eight (8) other REALTOR® members, who shall be elected as prescribed in Section 3 (a) hereof
- the most immediate Past President willing to serve ("Past President")

(a) Method of Electing REALTOR® Directors.

- (1) Eight (8) REALTOR® members shall be elected At-Large. Four (4) At-large Directors and the Treasurer shall be elected in even numbered years and four (4) At-large Directors in odd numbered years.

(b) Method of Selecting Non-Voting Affiliate Liaison

- (1) Qualified Affiliate members may submit an application to the Executive Committee for consideration and recommendation to the Board of Directors for approval of the non-voting Affiliate Liaison. The non-voting Affiliate Liaison position will be a two-year term.
- (2) The Non-Voting Affiliate Liaison will be selected in odd numbered years.
- (3) The Non-Voting Affiliate Liaison must have been an Affiliate Member of the Association for two (2) years immediately preceding term.

Section 4. Term of Office. The President, President-Elect and the Past President shall serve one-year terms. The Past President shall serve by designation and shall not be elected by the members. The Chief Executive Officer shall serve as Secretary and as an ex-officio member of the Board of Directors without the right to vote. The remaining Directors and Treasurer, shall be elected for two (2) year terms. No person may serve in a particular capacity on the Board of Directors for more than two (2) consecutive terms. The President may serve no more than one (1) term consecutively, but is not precluded from future service if re-elected as President-Elect. If a person serves as a Director, President-Elect, President or Treasurer for less than one-half (1/2) of the term applicable to that office, such portion of the term served shall be disregarded for the purposes of the preceding limitations.

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 Association shall be conducted by and all management powers shall be exercised by or under the direction of the Board of Directors. The Non-Voting Affiliate Liaison, however, shall be excluded from any and all matters pertaining to Grievance and/or Professional Standards. The Board of Directors shall have the authority to make minor non-member affecting changes to the Bylaws without going to the membership for vote, such as language clarification, "clean up" of verbiage and technical changes.

(a) Capital Expenditures: Fixed assets exceeding \$1,500 per item and with an expected useful life in excess of one year are capitalized and depreciated using the straight-line method over their estimated useful lives under GAAP reporting. Fixed assets are depreciated using the following schedule: Leasehold Improvements 3 – 39 years; Furniture and fixtures 5 – 10 years; Computer equipment and software 3 – 5 years; Website 5 years.

Section 6. Executive Committee. The Executive Committee shall consist of the President, President-Elect, the Past President, the Treasurer and two (2) REALTOR® Directors selected by the incoming Board of Directors and meet other requirements as may be established as policy by the Board of Directors. (Effective January 2012) The Executive Committee shall exercise such powers as are delegated to it by the Board of Directors. The President shall be the Chairman of the Executive Committee. The Chief Executive Officer shall serve as an ex-officio member without the right to vote.

(a) To qualify to serve on the Executive Committee, a REALTOR® director shall have served any one year of prior service on the Board of Directors before beginning a term on the Executive Committee.

Section 7. Election of Officers and Directors.

(a) Nomination by the Election Committee. Annually the President shall appoint an Election Committee consisting of at least nine (9) REALTOR® members, including one from each of the districts; the Past President, who shall serve as Chairman of the Election Committee. The annual election of Officers and Directors shall be conducted by the Election Committee in accordance with procedures established by the Board of Directors.

- (b) Nomination by Petition. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 2% or fifty (50) of the REALTOR® members eligible to vote, whichever is less. The petition shall be filed with the Chief Executive Officer/Secretary at least ten (10) days prior to the mailing deadline identified in Article XI, Section 1(d). At least fourteen (14) days before the election, the Secretary shall send notice of such additional nominations to all members eligible to vote.
- (c) Elections. Elections shall be by ballot. Ballots may be submitted by mail or in person, online, or by another method as determined by the Board of Directors. There shall be no proxy votes. 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 Election Committee or petition. A simple majority is required to elect Officers. In case of a tie vote, the issue shall be determined by lot. Election of Directors is determined by those receiving the highest number of votes.

Section 8. General Requirements for Officers and Directors.

- (a) A person nominated for an Officer or Director position on the Board of Directors shall meet the following minimum eligibility criteria:
- (1) Possess a current, valid California real estate license, or appraisal certification or licensure from an appropriate regulatory agency of the State of California.
  - (2) Be a REALTOR® member in good standing, whose financial obligations to the Association are paid in full and whose dues are current.
  - (3) Be of sound professional character conducting business in compliance with the NAR Code of Ethics. All final findings of NAR Code of Ethics violations and violations of other membership duties in this or any other association of REALTORS® within the past three years, and any unsatisfied discipline pending at the Association shall be taken into consideration when determining qualifications.
  - (4) Not serve concurrently as an Officer or Director of another Board/Association of REALTORS® or its MLS.
  - (5) Meet other requirements as may be established as policy by the Board of Directors.
  - (6) Have served two (2) years as a member of a CCAR Committee or Task Force, or one (1) year as a CCAR Committee or Task Force Chairperson prior to assuming office as a Director.
- (b) President: Any person serving as President must:
- (1) Have been a REALTOR® member of the Association for three (3) years immediately preceding nomination; as President-Elect (effective January 2012) and

- (2) Have completed any two (2) years of uninterrupted service as a Director prior to taking office as President-Elect.

(c) President-Elect. Any person nominated for President-Elect must:

- (1) Have been a REALTOR® member of the Association for three (3) years immediately preceding nomination; and
- (2) Have completed any two (2) years of uninterrupted service as a Director prior to taking office as President-Elect.
- (3) Have served at least one (1) year on the Budget and Finance Committee prior to assuming office as President. (effective January 2012)

The President-Elect shall automatically succeed to the office of President.

(d) Treasurer. Any person nominated for Treasurer must:

- (1) Have been a REALTOR® member of the Association for two (2) years immediately preceding nomination;
- (2) Have completed any one (1) year of uninterrupted service as a Director or Officer prior to taking office as Treasurer; and
- (3) Have one (1) year of prior experience on the Budget and Finance Committee of the Association prior to taking office as Treasurer, or have a college degree in accounting, or have held a position of treasurer, controller or CFO of another organization.

(e) Directors.

- (1) Any person nominated for Director must have completed two (2) years as a member of the Association prior to assuming office. No more than three (3) elected Directors, including elected Officers, from any one office, firm, partnership, corporation, franchise organization, or company using the same business name, d.b.a., or logo, shall serve on the Board of Directors at any one time.
- (2) If an Officer or Director transfers his license from one member firm to another member firm during his term of office--with the result that the limit of three (3) elected Officers and Directors in any one member office, firm, partnership, corporation, franchise organization or company using the same business name, d.b.a. or logo is exceeded--none of the Officers or Directors associated with that firm shall be compelled to resign their elective office until the expiration of their current elective term, unless the number of officers and directors affiliated with one firm exceeds four (4) in number. If more than four (4) are in any one member office, firm, partnership, corporation, franchise organization or company using the same business name, d.b.a. or logo and in the absence of a voluntary resignation



by another Officer or Director affiliated with the firm, the moving member must resign within three (3) business days.

- (3) If the seated Directors meet the maximum limitations in Section 8. (e) (1) and (e) (2), the Election Committee must nominate candidates for election from eligible firms. If an election could result in the limitation being exceeded, the Election Committee must nominate multiple candidates to anticipate possible disqualifications. Should the limitations be exceeded by the election of candidates from the same firm, the following priority will be used to determine eligibility to serve: seated Directors, a winning candidate for President-Elect, a winning candidate for Treasurer, winning candidates for Director-at-large. Once the limitation has been reached all candidates of lower priority will be disqualified. Within a category preference will be given to the candidates with the highest vote count.

(f) Secretary. The Board of Directors shall appoint the Chief Executive Officer. He/she shall be the salaried executive of the Association and shall perform all such duties as directed by the Board of Directors and shall, subject to the advice and control of the Board of Directors, act as the Corporate Secretary and general manager of the affairs of the Association. The Chief Executive Officer/Secretary shall not actively be engaged in the real estate business nor hold an active California Real Estate license.

#### Section 9. Removal of Officers and Directors.

- (a) Removal for Cause. The Board of Directors shall declare vacant the office of any Officer or Director on the occurrence of any of the following events:
  - (1) The death of the Officer or Director.
  - (2) The Officer or Director has been declared of unsound mind by a final order of a court.
  - (3) The Officer or Director has been convicted of a felony.
  - (4) The Officer or Director is convicted of a breach of duty under Section 7238 of the California Corporate Code.
  - (5) The Officer or Director is absent for four (4) regularly scheduled meetings in one year will be removed from the Board of Directors.
  - (6) The Officer or Director resigns from office.
  - (7) The Officer or Director no longer meets the general requirements for Officers and Directors enumerated in Section 8 (a) hereof.
- (b) Removal by the Membership. In the event that an officer or director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office

voluntarily, the officer or director may be removed from office under the following procedure:

- (1) A petition requiring the removal of an officer or director and signed by not less than fifteen (15) percent of the REALTOR® 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.
  - (2) 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 Association shall be held and 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.
  - (3) The special membership meeting shall be noticed to all voting members at least ten (10) days prior to the meeting, and shall be conducted by the President unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting by the members. Provided a quorum is present as defined in Article XI, Section 1 (e), a two-thirds (2/3) vote of the members present shall be required for removal from office.
- (c) Removal For Violation. The Board of Directors shall declare vacant the office of any Officer or Director if, during his/her term of office, an Officer or Director is determined to have violated the NAR Code of Ethics or other membership duty. However, removal from office shall be subject to review by the Association's Board of Directors as to the severity of the violation based solely on the final findings of fact and the appropriateness of removal from office.

#### Section 10. Vacancies.

Vacancies among the Directors and Treasurer shall be filled by a simple majority vote of the Board of Directors. The Board of Directors shall appoint successors for vacant positions within sixty (60) days after the position becomes vacant.

- (a) If the office of President is vacated, the President-Elect shall automatically succeed to that office, and shall additionally serve his/her term for the following year. Such an occurrence shall be deemed to create a vacancy in the office of President-Elect. The office, however, shall remain vacant until the next regularly scheduled association election.
- (b) Notwithstanding the above, if the office of President-Elect is vacated and there has been elected a President-Elect-Elect, he or she shall immediately assume the office of President-Elect. Such an occurrence shall be deemed to create a vacancy in the office of President-Elect-Elect.
- (c) Except as provided in Section 10(a) above, in the event of a vacancy in the office of President-Elect or President-Elect-Elect, the association shall hold a special election to fill the vacant office within 60 days of the vacancy.

## **ARTICLE XI – MEETINGS**

### Section 1. Membership Meetings.

- (a) Place of Meetings. Meetings of the membership shall be held at the principal office of the Association, or at any other place designated by the Board of Directors.
- (b) Annual Business Meeting. The annual business meeting of the Association shall be held each calendar year, the date, time, and place to be designated by the Board of Directors.
- (c) Special Call Meetings. Special meetings of the members may be held at other times as the Board of Directors or the President may determine, or upon the written request of at least five (5) percent of the members eligible to vote. If a special meeting is called by the members the request for such meeting shall be submitted by such members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered or certified mail, or by telegraphic, email or other facsimile transmission to the President, President-Elect, and the Chief Executive Officer/Secretary of the Association.
- (d) Notice of Meetings. Written notice, stating date, time, place, and purpose of the membership meeting shall be given to every member entitled to participate in the meeting at least twenty (20) calendar days preceding the meeting. Said notice shall be sent by regular first class mail, fax or e-mail to the address shown on the current Association records of every member entitled to participate in the meeting, or shall be published in the Association newsletter one (1) month prior to the meeting.
- (e) Quorum. A quorum for the transaction of business by the general membership shall consist of fifteen (15) percent of the members eligible to vote. A meeting at which a quorum is initially present may continue to transact business provided that any action taken is approved by at least a majority of the required quorum for that meeting. To be approved a ballot proposal must receive more than fifty (50) percent of the total votes cast.
- (f) Record Date. The Board of Directors shall set a "record date" which shall be at least thirty (30) days prior to the noticed meeting, for the determination of those eligible to receive notice and to vote.
- (g) Action by Ballot. Any action, which may be taken at any annual or special meeting, may be taken without a meeting if the Association provides a written or electronic ballot to every member entitled to vote on the matter. Procedures for balloting by mail shall be established by the Board of Directors and notice shall be in accordance with Section 1(d) hereof. All election of Officers and/or Directors shall be by secret ballot.
- (h) Ballot Proposal Requirements. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of the proposed action, and provide a reasonable time within which to return the ballot to the Association. Approval of the proposed action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum specified in Section 1(e) hereof and the number of approvals exceeds fifty (50) percent of the votes cast.

## Section 2. Board of Director Meetings.

- (a) Place of Meetings. The Board of Directors shall meet regularly, at least four (4) times a year, at a time and place as determined by resolution of the Board of Directors.
- (b) Absence Resulting in Termination. Absence from four (4) regularly scheduled meetings in one year shall be construed as resignation.
- (c) Special Call Meetings. The President or the Secretary or any three directors may call special meetings of the Board of Directors, for any purpose or purposes, at any time.
- (d) Notice of Special Meetings. Notice of the time and place of special meetings 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 Corporation. 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, 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. The notice must specify the purpose of the meeting and the place if the meeting will not be held at the principal executive office of the Corporation.
- (e) Quorum. A quorum for the transaction of business by the Board of Directors shall consist of two-thirds (2/3) of the Officers and Directors. Every act or decision done or made by a majority of the Directors at a meeting duly held at which a quorum is present shall be regarded as an act of the Board of Directors. A meeting of the Board of Directors at which a quorum is initially present may continue to transact business, regardless of whether any Officers or Directors depart the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting. No proxy or absentee votes shall be permitted.
- (f) 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

## **ARTICLE XII – COMMITTEES**

Section 1. Committees. The committees of the Association shall be established as a policy by the Board of Directors. The committees shall be appointed by the President from among the REALTOR® and Affiliate members subject to confirmation by the Board of Directors. Affiliate members, however, shall not serve on any Grievance/Ethics, Mediation, and/or Professional Standards Committees.

Section 2 Committee Chairpersons / Vice Chairs: (effective January 2012) The Executive Committee shall appoint, subject to confirmation by the Board of Directors, Committee Chairpersons for each of the committees. Committee Chairpersons must be members in good standing of the Association, and meet other requirements as may be established as policy by the Board of Directors. Any exceptions to the proposed additional requirements must be approved by the Board of Directors. (effective January 2012)

- (a) Committees will have Vice Chairpersons who will be appointed upon the recommendations of the incoming President and incoming President-Elect, subject to confirmation by the Board of Directors. (effective January 2012)
- (b) Should a Committee Chairmanship be vacated (except for the Budget and Finance Committee chairmanship for which the Treasurer serves a Chairperson) the Vice Chairperson will succeed to the position of Chairperson and a new Vice Chairperson will be appointed in accordance with the appointment and approval process. (effective January 2012)

Section 3. Special Committees. The President may appoint, subject to confirmation by the Board of Directors, special committees, Ad Hoc Committees, Task Forces and other groups as deemed necessary to accomplish the Association's objectives.

Section 4. Term of Committee Appointments. Committee members shall be appointed to one-year terms, except the members of the Grievance, Strategic Planning and Professional Standards Committees may be appointed to staggered two or three-year terms at the discretion of the Board of Directors, subject to their annual confirmation. Committee appointees shall be members in good standing.

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

Section 6. President as Ex-Officio Committee Member. The President shall be an ex-officio non-voting member of all standing committees, except the Grievance and Professional Standards Committees, and shall be notified of their meetings.

Section 7. Removal. Any committee member absent for four (4) regularly scheduled meetings in one year, will be removed from the committee. The President shall also 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 Association shall be the calendar year beginning January 1 and ending December 31, or as otherwise designated by the Board of Directors.

Section 2. Elective Year. The elective year shall begin January 1 and end on December 31

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

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

### **ARTICLE XV - AMENDMENTS**

Section 1. Amendment Upon Majority Vote of Membership. These Bylaws may be amended by a majority vote of the 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. However, 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 NAR and C.A.R. policy or are necessary to clarify existing Bylaws or to correct language or form and are non member affecting. Action by written ballot may be taken in accordance with the provisions of Article XI, Section 1 (g).

Section 2. Notice. Notice of all meetings at which amendments are to be considered shall be delivered by mail, facsimile, electronic mail or other electronic means at least twenty (20) calendar days prior to the meeting to every member eligible to vote. Such notice shall describe in sufficient detail the existing Bylaw, if applicable, and the proposed change. Notice shall be given as provided in Article XI, Section 1 (d).

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

### **ARTICLE XVI - 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 – INDEMNIFICATION**

The Association shall, to the maximum extent permitted by Law, indemnify each of its agents against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is or was an agent of the Association. For purposes of this Article, an Agent is any person who is or was an Officer, Director, employee or other agent of the Association, or is or was serving at the request of the Association as an Officer, Director, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. A "proceeding" includes any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative.

## **ARTICLE XVIII - MULTIPLE LISTING SERVICE**

Section 1. Authority. The Association may maintain or provide for the use of licensed real estate brokers, and licensed or certified appraisers, a Multiple Listing Service ("MLS") which shall be subject to the Bylaws of the Association and such MLS Rules and Regulations as may be hereinafter adopted.

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. Participation: Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.\* However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law. (Amended 11/08)

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

and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by period of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

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

(a) A nonmember applicant for MLS participation who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, shall supply evidence satisfactory to the membership committee that he/she has no record of recent or pending bankruptcy; has no record of official sanctions involving unprofessional conduct; agrees to complete a course of instruction (if any) covering the MLS Rules and Regulations and computer training related to MLS information entry and retrieval, and shall pass such reasonable and non-discriminatory written examination thereon as may be required by the MLS; and shall agree that if elected as a participant, he/she will abide by such rules and regulations and pay the MLS fees and dues, including the nonmember differential (if any), as from time to time established. Under no circumstances is any individual or firm entitled to MLS participation or membership unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other participants, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited



basis or that has its business interrupted by periods of relative inactivity, occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

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

Section 4 Copyright Ownership. All rights, title and interest in each copy of every MLS Compilation created by Association and the computerized MLS data base, and in the copyrights therein, shall at all times remain vested in the Association. Participants and authorized Subscribers affiliated with such Participants are authorized only to use the MLS Compilations and data base in accordance with the Multiple Listing Service Rules and Regulations as are from time to time promulgated by the Association's Board of Directors.

Section 5. Supervision. The MLS shall be operated under the supervision of the MLS Committee, subject to approval by the Association's Board of Directors, and in accordance with the MLS Rules and Regulations and policies established by the Association Board of Directors.

Section 6. Appointment of MLS Committee. The Association's Board of Directors shall establish and maintain policies regarding MLS Committee composition, appointee qualifications, and appointment procedures and tenure. The Committee shall comprise both MLS Participants and Subscribers, with the number appointed in each category determined by CCAR policy established by the Board of Directors. To qualify for appointment to the MLS Committee, Participants and Subscribers must also be REALTOR® members of Association.

Section 7. Vacancies and Attendance.

(a) MLS Committee attendance requirements and procedures for filling vacancies in unexpired terms shall be in accordance with policies established by the Board of Directors.

Section 8. Access to Comparable and Statistical Information. Providing the MLS generates such publication, Association 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 Association members and individuals affiliated with Association members who are also engaged in the real estate business and may not be transmitted,

retransmitted or provided in any manner to any unauthorized individual, office or firm, except as otherwise specified in the MLS Rules and Regulations. Association 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.

#### CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the Secretary of the Contra Costa Board of REALTORS®, a California Mutual Benefit Nonprofit Corporation, and that the above Bylaws, consisting of 31 pages, are the Bylaws of the Association, as adopted by the Board of Directors on July 23, 2012.

Dated: July 10, 2017

Secretary: Sheiren R. Diaz

Secretary's Signature:

A handwritten signature in cursive script that reads "Sheiren R. Diaz". The signature is written in black ink on a white background.