

BYLAWS

TABLE OF CONTENTS

REVISED: Revised May 5, 2015

I.	NAME	1
II.	OBJECTIVES	1
III.	NATIONAL AND STATE MEMBERSHIPS.....	2
IV.	JURISDICTION	2
	1. Description of Jurisdiction	2
	2. Jurisdictional Rights	3
V.	MEMBERSHIP, QUALIFICATION, APPLICATION & ACCEPTANCE.....	3
	1. Classes of Membership	3
	2. Qualifications for REALTOR® Members	3
	3. Qualifications for Institute Affiliate Members	5
	4. Qualifications for Affiliate Members	5
	5. Honorary Members	5
	6. Membership Application	6
	7. Prior Membership Records	7
	8. Application Review and Acceptance	7
	9. New Member Code of Ethics Orientation	8
	10. Continuing Member Code of Ethics Training	9
	11. Status Changes	9
	12. Resignation	10
VI.	PRIVILEGES AND OBLIGATIONS OF MEMBERS	10
	1. Member Compliance with Bylaws, Policies, Rules and Regulations	10
	2. Member Discipline	10
	3. Resignation with Pending Arbitration or Disciplinary Hearing	11
	4. Voting Rights and Eligibility for Elective Office	11
	5. Privileges and Duties of REALTOR® Members	11
	6. Privileges and Duties of Institute Affiliate Members	12
	7. Privileges and Duties of Affiliate Members	12
	8. Licensee Certification	12
VII.	PROFESSIONAL STANDARDS AND ARBITRATION	12
	1. Professional Standards and Arbitration	12
	2. Member Compliance with N.A.R. and C.A.R. Constitution, Bylaws, Policies, Rules, and Code of Ethics	13

- VIII. USE OF THE TERMS "REALTOR®", "REALTORS®" 13**
 - 1. Use and Control of REALTOR® Membership Marks 13
 - 2. Jurisdictional Limits on Use of REALTOR® Membership Marks 13
 - 3. Use of REALTOR® Membership Marks Dependent on Status of Firm Principals 13
 - 4. Institute Affiliate Members Ineligible to Use REALTOR® Membership Marks... 14

- IX. DUES, FEES AND FINANCES 14**
 - 1. Application Fees 14
 - 2. Dues 14
 - 3. Reinstatement After Termination for Nonpayment of Financial Obligations 15
 - 4. Collection and Proration of Dues 15
 - 5. Finances 16
 - 6. Financial Report 16

- X. OFFICERS AND DIRECTORS 16**
 - 1. Board of Directors 16
 - 2. Nominating Committee 17
 - 3. Nominations 17
 - 4. Election of Directors 19
 - 5. Election of Officers 19
 - 6. Officers' Duties 19
 - 7. Vacancies of Elected Officers 20
 - 8. Vacancies of Directors 20
 - 9. Chief Executive Officer 20

- XI. MEETINGS 20**
 - 1. Installation Meeting 20
 - 2. Other Meetings 20
 - 3. Petitioning for a Meeting Call 20
 - 4. Proxy 20
 - 5. Quorum 21
 - 6. Voting By Ballot 21
 - 7. Board of Directors' Time and Attendance 21
 - 8. Board of Directors Quorum 21

- XII. COMMITTEES 22**
 - 1. Appointments 22
 - 2. Duties 22
 - 3. Size and Term 22
 - 4. Actions 22

- XIII. TRUSTEESHIPS 22**

XIV. MULTIPLE LISTING SERVICE	23
1. Authority	23
2. Purpose	23
3. Participation	23
4. Availability	24
XV. FISCAL YEAR	24
XVI. RULES OF ORDER	24
XVII. AMENDMENTS	24
XVIII. DISSOLUTION	25

**BYLAWS OF THE
SOUTHLAND REGIONAL ASSOCIATION OF REALTORS®, INCORPORATED**

May 5, 2015

ARTICLE I – NAME

Section 1. Southland Regional Association of REALTORS®, Incorporated.

The name of this corporation shall be the Southland Regional Association of REALTORS®, Incorporated, herein referred to as the "A.O.R." 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 A.O.R. shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® (hereinafter "N.A.R.") as from time to time amended. The principal place of business shall be located at 7232 Balboa Boulevard, Van Nuys, California and said principal place of business may be changed by an amendment to the Bylaws. Authority is granted to the Board of Directors to establish such branch office or offices as the Board of Directors may from time-to-time deem advisable for the best interests of the corporation.

ARTICLE II – OBJECTIVES

The objectives of the Association are:

Section 1. Objectives.

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

ARTICLE III – NATIONAL AND STATE MEMBERSHIPS

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

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

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

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

ARTICLE IV – JURISDICTION - SOUTHLAND REGIONAL ASSOCIATION OF REALTORS®

Section 1. Description of Jurisdiction. The territorial jurisdiction of the Southland Regional Association of REALTORS® as a member of the NATIONAL ASSOCIATION OF REALTORS® is: Within the Los Angeles City Corporate limits beginning at a point of Vineland Avenue and the Los Angeles River, thence easterly along the Los Angeles River to the westerly limits of the City of Burbank, thence northerly along the westerly limits of the City of Burbank to the intersection of Clybourn Avenue and Cohasset Street, thence northerly on Clybourn Avenue across land of the Hansen Flood Retarding Basin to where Clybourn Avenue would, if extended, intersect with the S.E. Corner of Section 36, T4N, R15W; thence northeast to northwest corner of Section 16, T5N, R14W; then in a northerly direction to the northwest corner of Section 34, T6N,

**ARTICLE IV – JURISDICTION - SOUTHLAND REGIONAL ASSOCIATION OF REALTORS®
(Continued)**

R14W; thence in a northerly direction to southwest corner of Section 31, T7N, R17W east; then north to junction of Rangeline T9N north and R17W east; thence in a southerly direction to Rangeline R19W west and the northerly boundary of the Las Padres National Forest; then easterly following the northern boundary of the Las Padres National Forest to the junction of the Ventura, Santa Barbara and Kern County lines, then south following the Santa Barbara County Line to Rangeline T6N South, thence east to the Los Angeles, Ventura County Line, thence south following the Los Angeles County line to the southeast corner of Ventura County Line, thence westerly to the centerline of Las Virgenes Road, thence south on Las Virgenes Road, to the centerline of Mulholland Drive, then easterly on Mulholland Drive, both sides of the street, to a point on Mulholland Drive where Vineland Avenue, if extended, would intersect with Mulholland Drive, thence north to the point of beginning, and including the San Fernando City Corporate Limits and the Hidden Hills City Corporate Limits.

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 the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property right of the National Association in the terms.

ARTICLE V – MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE

Section 1. Classes of Membership. There shall be four (4) classes of membership: (1) REALTOR® Members; (2) Institute Affiliate Members; (3) Affiliate Members; and (4) Honorary Members.

- Section 2. Qualifications for REALTOR® Members.**
- (a) PRINCIPAL REALTOR® members, whether primary or secondary, who are principals, partners, corporate officers or branch office managers of real estate firms 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); 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.
- (b) REALTOR® members, whether primary or secondary, other than principals, partners, corporate officers, or branch office managers of real estate firms shall:

**ARTICLE V – MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE
(Continued)**

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 2.(a) of this Article V for any Association in California or a state contiguous thereto.

(c) REALTOR® members may be franchise corporate officers as described in Article V, Section 2.(h).

(d) Each firm shall designate in writing one “PRINCIPAL REALTOR®” Member who shall be responsible for the conduct of individuals affiliated with the firm and accountable to the A.O.R. for all duties and obligations of A.O.R. membership, including, but not limited to, certification as set forth in Article VI, Section 8. This REALTOR®, to be referred to as the Responsible 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 Article V, Section 2.(a) of the Bylaws.

(e) **Association of Choice.**

1. Primary Membership. Licensees affiliated with a REALTOR® firm may choose as their “primary” Association any Association within California where the firm maintains a “designated REALTOR®”. If a REALTOR® is a primary member of the A.O.R., the A.O.R. pays C.A.R. and N.A.R. dues for that individual.
2. Secondary Membership. A REALTOR® who has joined another Association as a primary member may join this A.O.R. as a secondary member. There need not be a designated REALTOR® member of this A.O.R. for licensees to select this A.O.R. as their secondary Association. The conditions for secondary membership shall be no more stringent than for primary membership, and the privileges of membership shall be the same including the right to vote and hold office.

(f) 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 PRINCIPAL REALTOR® membership. Each is required to hold REALTOR® membership individually in a local Association in California (except as provided in Section 2.(g)) or in a state contiguous thereto, if they meet all the other qualifications set forth in Article V, Sections 2.(a), 2.(b), or 2.(c) of the Bylaws unless they otherwise qualify for Institute Affiliate membership as described in Article V, Section 3.

ARTICLE V – MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE (Continued)

(g) In the case of a real estate firm, partnership or corporation whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of

the A.O.R. in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Article V, Section 3.

(h) 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 Code of Ethics, except: obligations related to A.O.R. 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 A.O.R., C.A.R., and N.A.R.

Section 3. Qualifications for Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation awarded by a qualified Institute, Society or Council affiliated with the N.A.R. that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to vote or hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership subject to payment of applicable dues for such membership.

Section 4. Qualifications for Affiliate Members. Affiliate members shall be real estate owners, and other individuals or firms engaged in activities related to the real estate profession, who do not qualify for REALTOR® membership. Affiliate members have interests requiring information concerning real estate and sympathy with the objectives of the A.O.R.

Section 5. Honorary Members. An Honorary Member shall have been a member in good standing for a minimum of twenty-five (25) years and have reached the age of seventy-five (75) and who is currently a member in good standing. REALTOR® Members that are eligible for Honorary Membership shall be nominated by the Executive Committee and elected by action of the Board of Directors. Honorary Members shall not be required to pay that portion of local Association dues retained by the Association. However, if such Honorary Member wishes to use Association services, he/she shall be required to pay all applicable fees, and shall continue to be termed a REALTOR® and receive State and National Association services, then such member shall inform the Association, in writing, and continue to pay to the Association that portion of local

ARTICLE V – MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE (Continued)

Association dues necessary to enable the Association to meet its dues obligations to C.A.R./N.A.R.

Section 6. Membership Application.

(a) Each applicant for membership shall submit an application in such manner and form as may be prescribed by the A.O.R. Board of Directors (hereinafter “Board of Directors”) and give his or her consent that the Board of Directors, through the A.O.R. Membership Committee or otherwise, may obtain information about the applicant from any member, other persons or Associations and that any information furnished to the Board of Directors by any member, person or Association shall not form the basis of any action for slander, libel or defamation of character. The Board of Directors, through its Membership Committee or otherwise, may consider the following in determining an applicant’s qualifications for membership: (1) all final findings of N.A.R. Code of Ethics violations and violations of other membership duties in any other Association within the past three (3) years; (2) pending ethics complaints or hearings; (3) unsatisfied discipline pending; (4) pending arbitration requests or hearings; (5) unpaid arbitration awards or unpaid financial obligations to any other Association or Association Multiple Listing Service (“MLS”).

(b) Applicants for membership shall be familiar with and agree to abide by the Bylaws and Rules and Regulations for the A.O.R., the Bylaws of C.A.R. and the N.A.R. Constitution, Bylaws and Code of Ethics, to the extent they are applicable, and pass such reasonable and nondiscriminatory written examination thereon as may be required by the A.O.R. Applicants must also attend an orientation program as may be required by the Board of Directors, or otherwise.

(c) Applicants who are sole proprietors, general partners, corporate officers, or branch office managers (Article V, Section 2) of a real estate firm shall certify: (1) they have no record of official sanctions rendered by the courts or other lawful authorities within the past three years for violations of (i) civil rights laws (ii) real estate license laws; or (iii) other laws prohibiting unprofessional conduct; and (2) that they have not been suspended or expelled from an Association the past three years for violations of the N.A.R. Code of Ethics.

(d) Applicants who are sole proprietors, general partners, corporate officers, or branch office managers (Article V, Section 2) of a real estate firm must disclose: (1) whether they or their firms are subject to any pending bankruptcy proceedings; and (2) whether they or their firms have been adjudged bankrupt within the past three (3) years. If the applicant is party to pending bankruptcy or insolvency proceedings or has been adjudged bankrupt with the past three (3) years, the applicant may be required to pay cash in advance for A.O.R. and MLS fees for up to one year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy, whichever is later. If the Board of Directors determines that such prepayments will not protect the interests of the A.O.R. or its members, such applications may be rejected.

ARTICLE V – MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE (Continued)

Section 7. Prior Membership Records. The A.O.R. may consider information received from other Associations in determining whether an applicant satisfies the A.O.R.'s membership requirements. The A.O.R. may request from any Association

where the applicant held prior membership, minimum “core” information including:

- (a) All final findings of Code of Ethics violations of other membership duties within the past three (3) years;
- (b) Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties;
- (c) Incomplete or (pending) disciplinary measures;
- (d) Pending arbitration requests (or hearings); and
- (e) Unpaid arbitration awards or unpaid financial obligations to the Association or its MLS.

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

Section 8. Application Review and Acceptance. The procedure for acceptance to membership shall be as follows:

- (a) The A.O.R. 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 the 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 7, 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 twenty (20) days, the Membership Committee shall report its recommendation to the applicant and Board of Directors in writing. If the recommendation is to reject the application, the reasons shall be specifically stated. If

ARTICLE V – MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE (Continued)

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 Membership Committee, to present evidence, both written and oral, and to be represented by counsel.

(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. 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 (45) days from the date of application for membership.

(d) If the Board of Directors determines that the application should be rejected, it shall record its reasons. If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the A.O.R. for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

(e) The Board of Directors, through its Membership Committee or otherwise, may grant "provisional" membership to an applicant in instances where ethics complaints or arbitration requests or hearings are pending in other Associations or where the applicant for membership has unsatisfied discipline pending in another Association, provided all other qualifications for membership have been satisfied. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. The Board of Directors may reconsider the membership status of provisional members when all pending ethics and arbitration matters and related discipline have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. At the time of reconsideration, if the Board of Directors determines that the individual has not satisfactorily resolved the pending ethics or arbitration matter, at the discretion of the Board of Directors, membership may be terminated. Any dues paid by the provisional member shall be prorated from the date of application to the date of termination, and the remaining dues shall be returned to the terminated provisional member.

(f) If a member resigns from another Association with an ethics complaint or arbitration request pending, the Board of Directors may condition membership on the applicant's certification that he or she will submit to the pending ethics or arbitration proceeding, in accordance with the procedures of the A.O.R., and will abide by the decision of the hearing panel.

Section 9. 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

ARTICLE V – MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE (Continued)

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 30 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 10. Continuing Member Code of Ethics Training. Every four year period, starting with the period from January 1, 2001 through December 31, 2004, and for successive four 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 quadrennial 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 four year cycle shall not be required to complete additional ethics training until a new four year period commences. Failure to satisfy this requirement shall be considered a violation of membership duty for which REALTOR® membership shall be suspended until such time as the training is complete.

Section 11. Status Changes.

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

(b) If the licensed status of any member is terminated, his or her membership in the A.O.R. shall terminate automatically. If any member ceases to meet any other ongoing qualification of membership, his or her membership may be terminated by the Board of Directors. Each member shall have the affirmative duty to notify the A.O.R. of any changes in their licensee status.

ARTICLE V – MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE (Continued)

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

ARTICLE VI - PRIVILEGES AND OBLIGATIONS OF MEMBERS

Section 1. Member Compliance with Bylaws, Policies, Rules and Regulations. It shall be the duty of every member of the A.O.R. to abide by the Bylaws, Policies and Rules and Regulations of the A.O.R. Any member of the A.O.R. may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of the Bylaws or the Rules and Regulations of the A.O.R. If a hearing is required it shall be held in accordance with the Code of Ethics and Arbitration Manual and Professional Standards Rules.

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

Section 2. Member Discipline.

(a) Any member of the A.O.R. may be reprimanded, placed on probation, suspended or expelled for sexual harassment of an Association or MLS employee after a hearing in accordance with the established procedures of the A.O.R. 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. If the complaint names the President or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS OF MEMBERS (Continued)

(b) Any REALTOR® member of the A.O.R. may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership after a hearing as described in the Code of Ethics and Arbitration Manual and Professional Standards Rules provided that the discipline imposed is consistent with N.A.R. policy as set forth in the Code of Ethics and Arbitration Manual and Professional Standards Rules.

Section 3. Resignation with Pending Arbitration or Disciplinary Hearing. If a member resigns from the A.O.R. or otherwise causes membership to terminate with a disciplinary complaint pending, that 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 A.O.R. are paid in full, shall be entitled to vote and to hold elective office in the A.O.R. 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 A.O.R. to abide by the Constitution and Bylaws of C.A.R., the Constitution and Bylaws of N.A.R. to abide by the Code of Ethics, and the Rules and Bylaws of this Association.

(b) REALTOR® members have the primary responsibility to safeguard and promote the standards, interests and welfare of the A.O.R. and the real estate profession.

(c) REALTOR® members may use the terms REALTOR®, 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

ARTICLE VI - PRIVILEGES AND OBLIGATIONS OF MEMBERS (Continued)

sever his or her connection with the disciplined member and affiliates with another REALTOR® member in good standing in the association. If a REALTOR® member other than a sole proprietor in a firm, partner in a partnership, officer of a corporation or branch office manager is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.

Removal of an individual from any form or degree of management control must be certified to the A.O.R. by the disciplined member and by the individual who is assuming management control. The signatures on such certification must be notarized.

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

(e) In any action taken against a principal REALTOR® member for suspension or expulsion, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® member and they shall be advised that the provisions in this Article 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. Licensee Certification. The Association shall provide to all Responsible REALTOR® Members a licensee certification form. Responsible REALTOR® Members shall complete, execute and return to the Association said licensee form at a date established by the Board of Directors. The certifying REALTOR® shall fill out all items required on said form, including the names of all real estate licensees associated with the REALTOR® Member, in offices located within the geographical jurisdictional boundaries of the Association.

REALTOR® Members failing to comply by that date shall become subject to suspension from Association services at a Show Cause Hearing. In the event Association services are suspended, said REALTOR® may have services restored by completing, executing and returning to the Association the licensee certification form on or before August 30 of said year. Failure to comply by that date shall subject REALTOR® Member to expulsion from the Association pending a Show Cause Hearing as per these Bylaws.

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 Professional Standards Rules.

Section 2. Member Compliance with N.A.R. and C.A.R. Constitution, Bylaws, Policies, Rules, and 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 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 Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Professional Standards Rules as from time to time amended by Association. By becoming and remaining a member, every REALTOR® member agrees that he or she and the corporation or firm for which he or she acts as a partner, officer, principal, or branch office manager, will submit to arbitration through the A.O.R. all disputes with any other member or members of the public subject to the conditions set forth in the Code of Ethics and Arbitration Manual and Professional Standards Rules.

ARTICLE VIII - USE OF THE TERMS "REALTOR®", "REALTORS®"

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

Section 2. Jurisdictional Limits on Use of REALTOR® Membership Marks. REALTOR® members of the A.O.R. shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within California, or a state contiguous thereto, so long as they remain REALTOR® members in good standing. No other class of members shall have this privilege.

Section 3. Use of REALTOR® Membership Marks Dependent on Status of Firm Principals. A REALTOR® member who is a principal of a real estate firm, partnership or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within California, or a state contiguous thereto, are REALTOR® members.

In the case of a REALTOR® member who is a principal of a real estate firm, partnership or corporation whose business activity is substantially all commercial, the right to use the term REALTOR®, or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer or branch office manager of the firm, partnership or corporation holds REALTOR® membership. If a firm, partnership or corporation operates additional

**ARTICLE VIII - USE OF THE TERMS "REALTOR®", "REALTORS®"
(continued)**

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, FEES AND FINANCES

Section 1. Application Fees. Applicants for membership shall be charged an applications processing fee. Such fees shall be determined by the Board of Directors, and stated in the Membership Rules, and shall not exceed three times the annual dues.

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 RESPONSIBLE 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 8 and who: (1) are employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed or certified with such REALTOR® member; and (2) are not REALTOR® members of any Association within California or a state contiguous thereto or Institute Affiliate members of this A.O.R. In calculating the dues payable to the A.O.R. by a RESPONSIBLE 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 RESPONSIBLE REALTOR® has paid dues based on non-member licensees to another Association within the state of California or a state contiguous thereto, provided the RESPONSIBLE REALTOR® notifies the A.O.R. in writing of the identity of the Association to which dues have been remitted.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association, on a form approved by the association, a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, managing, counseling, appraising or arranging financing for real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Article IX, Section 2 (b) and shall not be included in calculating the annual dues of the Designated REALTOR®.

ARTICLE IX - DUES, FEES AND FINANCES (Continued)

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.

(c) The annual dues of REALTOR® members shall not include any allocation for C.A.R., if the member is a member of an Association of C.A.R. and that Association has paid C.A.R. dues for the member.

(d) The annual dues of REALTOR® members shall not include any allocation for N.A.R., if the member is a member of an Association of N.A.R. and that association had paid N.A.R. dues for the member.

(e) In the case of a RESPONSIBLE 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 RESPONSIBLE REALTOR® (as defined in sub-paragraph (b) of this Section) in the office where the RESPONSIBLE REALTOR® holds membership, any other offices of the firm located within the jurisdiction of this Association.

(f) Dues for Institute Affiliate Members of the A.O.R. may not exceed two and one-half times the amount established pursuant to Article II, Section 1(A) of N.A.R.'s Bylaws.

Section 3. Reinstatement After Termination for Nonpayment of Financial Obligations. A former member who has had his or her membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the A.O.R. or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, only after making payment in full of all accounts due as of the date of termination.

Section 4. Collection and Proration of Dues. The manner of collection and proration of dues shall be set by the Board of Directors as amended from time-to-time in the Membership Rules and/or appropriate committee formats.

ARTICLE IX - DUES, FEES AND FINANCES (Continued)

Section 5. Finances. The Board of Directors shall have the authority and responsibility to administer the Association's finances in accordance with good business practice and allocate funds of the Association subject to the following limitations:

(a) Any capital expenditure not exceeding two and one-half percent (2.5%) of the current annual operating budget or \$300,000, whichever is less, shall require a majority vote of the Board of Directors present at a regularly scheduled or specially called meeting. Any capital expenditure exceeding two and one-half percent (2.5%) of the current annual operating budget or \$300,000, whichever is less, shall require a two-thirds vote of the Board of Directors present at a regularly scheduled or specially called meeting.

(b) Any capital expenditure, in excess of 10% of the current annual operating budget may not be made unless authorized by a majority vote of the association members and present at a duly held membership meeting (Article VI, Section 4 of these Bylaws). There shall be no sale of real property excepting with prior consent of the membership. However, nothing shall preclude the Board of Directors from making any expenditures necessary for the maintenance or replacement of equipment of a like type and/or value and/or making building repairs to insure the uninterrupted operation of the Association. Capital expenditure is an expenditure for permanent additions or improvements to property, as opposed to money spent for repairs, replacements, and/or operations. However, in determining whether or not an expenditure is to be submitted to the membership, the cost of implementation shall be included.

Section 6. Financial Report. The Chief Executive Officer shall select subject to approval of the Board of Directors, a certified public accounting firm to prepare a financial report for the fiscal year ending December 31. Such report shall be presented to the Board of Directors no later than the June Board meeting. Availability of said report to be noticed to all REALTOR® members with copies provided to them upon request.

ARTICLE X – OFFICERS & DIRECTORS

Section 1. Board of Directors. The government of the Association shall be vested in a Board of Directors consisting of twenty-two elected Directors, including the immediate Past President, and nominated and elected as prescribed by the Bylaws. No more than four (4) of the 22 elected directors may be past presidents, exclusive of the immediate past president. The remainder shall be elected from the REALTOR membership. A Division created by the Board of Directors as stated in Article XIII, Section 2 may be entitled, as determined by the Board of Directors, to one voting representative on the Board of Directors of the Southland Regional Association of REALTORS®. The Representative must be a REALTOR® member. The representative

ARTICLE X – OFFICERS & DIRECTORS (Continued)

shall be selected as defined in the Policies and Procedures of that Division. The Division representatives shall be in addition to the twenty-two elected Directors as noted above.

Section 2. Nominating Committee. The Nominating Committee shall consist of 9 members selected as follows:

(a) Two most immediate Past Presidents (available). The most immediate Past President available shall Chair the Committee.

(b) Four members who may or may not be members of the Board of Directors and who are not subject to re-election during the current year, nominated by the current President, subject to affirmation by the Board of Directors.

(c) Three members of the Association, one of whom may be a Past President, to be chosen by the Board of Directors by secret ballot.

1. Each Director may nominate not more than one candidate to the Nominating Committee.

2. Each Director may vote for not more than three candidates.

(d) Presidential selections for the Nominating Committee for approval by the Board of Directors should be announced no later than the April meeting.

(e) The Board of Directors should complete nominations for appointment and election to the Nominating Committee not later than its April meeting. All Directors shall contact potential nominees that they intend to nominate prior to the Board of Directors meeting to ascertain that they will serve if nominated. Names of the Nominating Committee members shall be published upon approval by the Board of Directors. At that time, the Board of Directors Candidate Application and deadline for its submission shall also be published.

Section 3. Nominations.

(a) All candidates for the Board of Directors, whether by nomination by the Nominating Committee, or by petition, must have submitted the Board of Directors Candidate Application form to the Association Office by the published deadline in order to be eligible.

(b) No candidate for the Board of Directors may be nominated by the Nominating Committee or qualify by petition who has served three (3) continuous terms, six (6) years, on the Board of Directors without having taken at least a one (1) year sabbatical following such service.

(c) No candidate for the Board of Directors may be nominated by the Nominating

ARTICLE X – OFFICERS & DIRECTORS (Continued)

Committee or qualify by petition who is not actively engaged in the real estate industry as defined in Article V, Sections 2.(a) – 2.(d), and Article VIII, Section 3 of these Bylaws.

(d) No candidate for Board of Directors may be nominated by the Nominating Committee who is related by blood or marriage to the first or second degree to any member of the Nominating Committee.

(e) Not less than 60 days nor more than 120 days prior to the Annual Election, the Nominating Committee's choice shall be published in REALTOR® REPORT.

(f) REALTOR® Members may be nominated for the Board of Directors by petition. In order to qualify for the ballot, a petition nominee must obtain the signatures of the number allowed under Calif. Corp. law based on the total membership count in good standing in their respective category as of April 1, on the petition form provided by the Association. The petition shall be filed with the Chief Executive Officer not later than 12:00 noon, 30 days after the publishing of the Nominating Committee's choice. Petitions may contain the name of only one nominee. Petition nominees will appear on the ballot along with all other nominees in random order, drawn by lot. The ballot shall also contain a place for write-in nominees and be distributed by any method deemed appropriate by the Board of Directors, to all respective members at least fourteen days prior to Election Day.

(g) No person is eligible for Director who has not met the following requirements prior to the date of nominations:

The individual must have been (1) a member of the Association for five (5) years and have served three (3) years on an Association standing committee; or (2) have been a member for three (3) years and have served as a chair or vice chair of an Association standing committee, or (3) has attended a leadership program as approved by the Board of Directors.

(h) The individual nominated must agree that after election he or she will take any further educational course or other training prescribed by the Board of Directors for attendance by all Directors. Acceptance of the office of Director will constitute the agreement by the individual. If any director fails to satisfy these requirements after election, he or she shall not be eligible for further election to the Board of Directors until the requirements are met, and is subject to removal by a 2/3 vote of the Board of Directors.

(i) In the event of a merger, an individual's committee service with his or her former Association shall count toward the eligibility requirements.

ARTICLE X – OFFICERS & DIRECTORS (Continued)

Section 4. Election of Directors.

- (a) The annual election day shall be the second Tuesday in October.
- (b) The election of Directors shall be by ballot received at the Association's office by any method authorized by the Board of Directors, on or before 12:00 noon of the election day.
- (c) Directors shall serve a term of two (2) years.
- (d) The President shall be selected from the Board of Directors and shall automatically serve as a Director for the year following his or her election.
- (e) One half of the Board of Directors shall be elected each year, the number being adjusted to take into consideration any automatic directorships allotted to the President and Past President.
- (f) No more than four (4) Past Presidents, not including the Immediate Past President, may serve on the Board of Directors at any one time. Past Presidents, nominated for the Board of Directors, shall appear on a separate ballot regardless of the number nominated. However, Past Presidents will not be deemed elected unless their individual vote tally would have been sufficient for election without regard to the separate ballot category.
- (g) Any tie votes will be broken in accordance with the methods determined by the Board of Directors, in their sole discretion. This decision shall be accomplished as soon as practicable but no later than 40 days following the election.
- (h) Ballots shall be overseen by an Election Committee appointed by the President and approved by the Board of Directors, who shall declare the elected directors upon conclusion of their ballot counting.
- (i) If there are no petition candidates for the Board of Directors or nominations that exceed the number of vacancies available by the petition deadline, those nominated by the Nominating Committee shall be deemed duly elected and the election concluded.

Section 5. Election of Officers. Within ten days after the annual election, the new Directorate shall meet and elect a President and a President-Elect. The President-Elect shall automatically become a member of the Board of Directors for the following year. Further, the President-Elect shall become President, subject to election by the Directors, and based upon their determination of satisfactory performance by the President-Elect during the preceding year, and in the absence of any unforeseen events. Members of the Nominating Committee and Directors appointed by a Division are not eligible to run for office.

Section 6. Officers' Duties. The duties of the Officers shall be such as their title by general usage would indicate, and such as may be assigned to them respectively by the Board of Directors from time-to-time, and such as are required by law. The incoming President shall announce the standing committees and their chairman at the first regular meeting in January, or as soon thereafter as practicable.

ARTICLE X – OFFICERS & DIRECTORS (Continued)

Section 7. Vacancies of Elected Officers.

(a) **President:** In the event of a vacancy in the office of President, the President-Elect shall fill the remainder of the term of office.

(b) **President-Elect:** A vacancy in the office of President-Elect shall be filled for the remainder of the term of office by a majority vote of the Board of Directors present at a regular meeting to be held no later than sixty (60) days from the date of the occurrence of the vacancy. This appointment shall be on an interim basis. The condition in Article X, Section 5, which states, "Further, the President-Elect shall become President subject to election by the Directors, and based upon their determination of satisfactory performance by the President-Elect during the preceding year, and in the absence of any unforeseen events", shall not apply to the interim appointee.

Section 8. Vacancies of Directors. Vacancies on the Board of Directors shall be filled for the remainder of the vacating Director's term by appointment by the Board of Directors.

Section 9. Chief Executive Officer. The Board of Directors shall appoint a Chief Executive officer who shall act as Secretary-Treasurer of the corporation. In the event of the Chief Executive Officer's inability to continue to serve, the Board of Directors shall appoint another Chief Executive Officer.

ARTICLE XI – MEETINGS

Section 1. Installation Meeting. The installation of Officers and Directors shall be held at an annual installation meeting each year, at a place and time designated by the Board of Directors.

Section 2. Other Meetings. Meetings of the members may be held at such other times as may be determined by the President or Board of Directors. All members qualified to vote shall be notified by mail of date and business for which meeting is called, no less than thirty (30) nor more than ninety (90) days prior to the date of the meeting. Any decision made at the meeting without such prior notice shall not be final until confirmed at the next membership meeting.

Section 3. Petitioning for a Meeting Call. The Board of Directors shall, within 20 days of receipt of a request by at least 5% of the voting members, make a call for a meeting to be held not less than 35 days nor more than 90 days after the receipt of the request. Voting members are those REALTORS® in good standing and qualified to vote, each of whom shall be entitled to inspect the membership list at reasonable times and on reasonable notice. The notice for the meeting shall set forth the date, time and place of the meeting and the purpose or purposes for which the meeting is called.

Section 4. Proxy. Proxies shall not be permitted for membership meetings.

ARTICLE XI – MEETINGS (Continued)

Section 5. Quorum.

(a) Ten percent of the REALTOR® Members of or 100 members qualified to vote (See Article VI, Section 4) whichever is the lesser, of the Association in good standing shall constitute a quorum for the transaction of business. The number necessary to establish a quorum shall be determined ten days prior to the date of the meeting.

(b) In the event a General Membership meeting is adjourned for lack of a quorum, another meeting shall be held within 90 days of the date of the adjourned meeting. At such second meeting the number in attendance at the time of the transaction of any business shall constitute a quorum.

Section 6. Voting By Ballot. Any action which may be taken by the members at a meeting, whether for the amendment of Bylaws or to transact other business, may be taken by ballot, at the discretion of the Board of Directors.

(a) A “ballot” is a vote which is submitted by the voting member in writing or by electronic mail. Whether an electronic mail ballot is permitted shall be within the discretion of the Board of Directors.

(b) Notices for action to be taken by ballot shall satisfy the same requirements as in the case of meetings called for amendment of Bylaws, or the transaction of other business. The notice shall advise members of the number required for a quorum, and the number required for adoption of any proposed action. The Board of Directors shall allow a reasonable period of time for the members to consider and send in ballots.

(c) The Board of Directors may not call for vote by ballot where a meeting has been called by Petition, pursuant to Article XI, Section 3, unless voting by ballot is permitted by language contained in the petition.

(d) A quorum for the purposes of a vote by ballot shall mean that the votes cast by ballot must be equal to or greater than the number of votes required for a quorum in meetings attended by voting members.

(e) A ballot, whether in writing or by electronic mail, once received by the Association, cannot be revoked by the member submitting the ballot.

Section 7. Board of Directors' Time and Attendance. The Board of Directors shall meet at regular periods. A Director who fails to attend three (3) meetings in a calendar year without being excused by the Presiding Officer with concurrence of the Directors may be removed by the Directors.

Section 8. Board of Directors Quorum. Majority of the total authorized members of the Board of Directors, at a regular or special meeting, shall constitute a quorum for the transaction of business.

ARTICLE XII - COMMITTEES

Section 1. Appointments. The President shall appoint those committees necessary to achieve the goals of the Association subject to affirmation by the Board of Directors by a vote of a majority of Directors then in office.

Section 2. Duties. Committees shall have such duties and functions as may be assigned to them by the Board of Directors.

Section 3. Size and Term.

(a) Committees shall consist of such a number of members as the formats prescribe
ARTICLE XII - COMMITTEES (Continued)

and shall be appointed by the President for specified terms or until their successors have been duly appointed and confirmed or until they are officially discharged.

(b) The Association's C.A.R. Nominating Committee shall consist of such a number of members as the C.A.R. Nominating Committee Format prescribes and shall be appointed by the incumbent C.A.R. Region 18 Chairman for specified terms or until their successors have been duly appointed and affirmed or until they are officially discharged.

Section 4. Actions. All actions of committees shall be subject to the approval of the Board of Directors.

ARTICLE XIII - TRUSTEESHIPS

Section 1. Trusteeships and Divisions as referred to herein shall mean semi-autonomous bodies delegated to manage significant Association functions requiring more continuous and independent control than can be provided by a Committee.

Section 2. Trusteeships and Divisions may be created, or terminated, from time-to-time by the Board of Directors, by a two-thirds vote of those present and voting.

Section 3. Management.

(a) Trustees shall be appointed by the President, subject to affirmation by the Board of Directors. Trustees may be removed by a two-thirds vote of the Directorate.

(b) A Division may have its own membership provided it is drawn from REALTORS®, whether from the Southland Regional Association or other Associations. The Association may also authorize a Division to have its own officers, Board of Directors and/or counsel, and may approve a separate dues structure for its members.

Section 4. The Trusteeships and Divisions shall propose such rules and procedures as are necessary to carry out their assigned goals and purposes, which rules

ARTICLE XIII - TRUSTEESHIPS (continued)

and procedures shall be subject to approval or modification by the Association Board of Directors on a two-thirds vote of those present and voting.

ARTICLE XIV - MULTIPLE LISTING SERVICE

Section 1. Authority. The Association shall maintain for the use of its Members a Multiple Listing Service, which shall be subject to the Bylaws of the Association and such Rules and Regulations as may be hereinafter adopted.

Section 2. Purpose. The Association of REALTORS® Multiple Listing Service is a facility for the orderly correlation and dissemination of listing information among the
ARTICLE XIV - MULTIPLE LISTING SERVICE (Continued)

Participants so that they may better serve their clients in selling the listed property, and that the listing broker has a legitimate interest in not having information so furnished used for any other purpose. In addition, it is a means by which the MLS Participant establishes legal relationships with other Participants by making a blanket unilateral contractual offer of compensation to other Participants.

Section 3. Participation. Any REALTOR® of this or any other Association or qualified real estate broker 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 the Multiple Listing Service 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.

NOTE: Mere possession of a broker’s license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm ‘offers or accepts cooperation and compensation’ means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and on-going basis during the operation of the Participant’s real estate business. The “actively” requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time limited basis or that has its business interrupted by periods of relative inactivity occasioned by market

ARTICLE XIV - MULTIPLE LISTING SERVICE (Continued)

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.

Section 4. Availability. Nothing in the Bylaws of the Association or the Rules and Regulations of the Multiple Listing Service shall be deemed to deny availability of the Multiple Listing service to any licensed real estate broker who is entitled to it under the law of the State of California, regardless of whether or not the licensee is a Member of the Association.

ARTICLE XV - FISCAL YEAR

Section 1. The Association's fiscal year shall be the calendar year.

ARTICLE XVI - RULES OF ORDER

Section 1. 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 Corporations Code or these Bylaws.

ARTICLE XVII - 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, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present approve amendments to the Bylaws which are mandated by N.A.R. policy.

ARTICLE XVIII - DISSOLUTION

Section 1. Upon the dissolution or winding up of affairs 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.