

S.R.A.R. MEMBERSHIP RULES
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S.R.A.R. MEMBERSHIP RULES

A. FORMS OF MEMBERSHIP

The Association provides the following forms of membership, as described in Bylaws, Article V.

1. REALTOR®
2. Affiliate (Individual)
3. Affiliate (Firm)
4. Institute Affiliate
5. Secondary (REALTOR®)
6. Honorary (REALTOR®)

B. APPLICATION FEES

Application fees are set by the SRAR Board of Directors and are due at time of application. Said fees are non-refundable should the applicant withdraw or fail to complete application requirements for any reason. Application fees will be refunded should the applicant be refused membership or not qualify in accordance with Association Bylaws and these rules.

C. DUES

Dues are charged per Article IX of the Bylaws.
(See section H. for explanation of dues charged at time of application.)

D. STATE AND NATIONAL ASSOCIATIONS

Upon being approved for membership in the Association, applicants automatically become members of the NATIONAL ASSOCIATION OF REALTORS® (N.A.R.) and the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) by virtue of the S.R.A.R. being a Member Association of same.

E. RULES APPLICATION

The following rules shall apply to all Members and Membership Applicants. Wherever the term REALTOR® is used, it signifies both Resident and Non-Resident applicants or members.

F. APPLICATION

Applicants for membership are required to submit a completed application on the Association's application form. Applicants for membership shall agree to abide by the Association Bylaws; Rules and Regulations of the Association; the Code of Ethics; Code of Equal Opportunity; and Constitution and Bylaws of the National Association OF REALTORS® (N.A.R.) and all future amendments thereto.

G. APPROVAL OF APPLICANT

1. Until other provision is made by the Board of Directors, the Executive Committee shall act on all applications for Membership.

2. Applicants shall supply, upon request, evidence satisfactory to the Executive Committee that applicant meets the requirements as described in N.A.R.'s 6-point and 7-point Membership Qualification Criteria. Applicant consents that the Association, through its Executive Committee or otherwise, may invite and receive information and comment about applicant from any member or other person and that the applicant agrees that any information or comment furnished to the Association shall be conclusively deemed to be privileged information and not the basis for slander, libel or defamation.
3. The Executive Committee shall determine if class of membership sought conforms to Bylaws.
4. The applicant shall satisfactorily complete the New Member Orientation Program provided by the Association. Applicant will be given 30 days from application to complete the New Member Orientation Program. If an applicant has completed the New Member Orientation Program within the previous 12 months from date of application, New Member Orientation need not be repeated.
5. Applicant's name shall be posted in the Association's weekly publication, REALTOR® REPORT, notifying membership of such application. REALTOR® and Non-Resident REALTOR® applicants shall be posted two times.
6. If a member submits a written objection to the approval of any posted applicant, the following steps will be taken:
 - a. Upon receipt of a complaint, staff shall acknowledge receipt by sending a copy of the complaint to the applicant and a copy of N.A.R.'s 6 & 7-point Membership Qualification Criteria to both parties. Staff then reviews the complaint to see if it falls within the purview of the 6 & 7-point criteria.
 - b. Upon finding that the complaint is within the purview of the 6 & 7-point criteria, the Executive Committee will review the matter.
 - c. After review, by the Executive Committee, they shall make a recommendation to the Board of Directors. At the request of the applicant, a hearing shall be held before a panel of three members of the Executive Committee, at which the objection(s) shall be considered. The applicant shall have the right to call witnesses, to present evidence both oral and documentary, and be represented by counsel. The proceedings shall be recorded.
 - d. The Board of Directors shall review the recommendations of the Executive Committee and vote thereon. If the Board of Directors determines that the applicant shall be disapproved, the reasons therefore shall be recorded.

H. APPLICANT DUES

1. REALTOR®, Non-Resident REALTOR®, Affiliate (Individual and Firm)

That portion of local Association dues retained by the Association for REALTOR®, Non-Resident REALTOR® and Affiliate (Individual and Firm) applicants shall be prorated from the beginning of the current calendar quarter to the end of the year. For

subsequent years, that portion of local Association dues retained by the Association shall be paid annually in advance.

A member who has been dropped from the Association for non-payment of dues may seek reinstatement. Reinstatement will be granted upon payment of the Association's application fee, fees for the CALIFORNIA ASSOCIATION OF REALTORS® as required, and payment of the balance of dues to the SRAR to the end of the calendar year. If an applicant has completed the New Member Orientation Program within the previous 12 months from date of application, New Member Orientation need not be repeated.

2. **C.A.R./N.A.R. Allocations**

a. REALTOR®

That portion of local Association dues necessary to enable the Association to meet its dues obligations to C.A.R./N.A.R. for REALTOR® applicants shall be prorated from the first day of the quarter in which the member is notified of election through the end of the calendar year.

b. Affiliate (Individual and Firm)

That portion of local Association dues necessary to enable the Association to meet its dues obligations to C.A.R. (if the affiliate chooses to join C.A.R.) for Affiliate (Individual and Firm) applicants shall be prorated from the beginning of the current calendar quarter to the end of the year. For subsequent years, that portion of local Association dues necessary to enable the Association to meet its dues obligation to C.A.R. (if the Affiliate chooses to join C.A.R.) shall be paid annually in advance.

3. **N.A.R. Allocations**

All Members

Dues Payable. Dues for all members shall be payable annually in advance on the first day of the current year and are considered late if not paid by January 31. Dues shall be computed from the first day of the quarter in which a Member is notified of election and shall be prorated for the remainder of the year.

4. **DUES ARE NOT REFUNDABLE**

5. **NO RECORD OF OFFICIAL SANCTIONS** involving unprofessional conduct is intended to mean that the Association may only consider judgments within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities and (4) findings of violations of the REALTORS® Code of Ethics resulting in suspension or expulsion from any Member Association in which applicant is or was a member.

6. **NO RECENT OR PENDING BANKRUPTCY** is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner or corporate officer is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that a bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy, unless that action does not adequately protect the interests of the Association or its members, in which case other appropriate action may be taken.

I. APPLICANT SERVICE

1. REALTOR® and Non-Resident REALTOR® applicants shall be eligible for Association services, including lease of a keybox entry card (if a MLS member, excluding appraiser participation), upon payment of application fees, as per Section H of these Rules, and New Member Orientation. Lease of a keybox entrycard is a service available to MLS members. Failure to attend orientation shall result in suspension of services, including entrycard.

2. Affiliate

a. Services

Affiliate (Individual and Firm) applicants shall be eligible for services due upon payment of application fees to the Association and C.A.R., (if the affiliate chooses to join C.A.R.) and dues as per Section H of these Rules. Such services shall be to have the opportunity to:

- 1) Attend all Marketing and all Valley meetings.
- 2) Attend Association educational events at "member" prices.
- 3) Attend Association social events at "member" prices.
- 4) Have one copy of the Association's weekly publication, REALTOR® REPORT, mailed to them.
- 5) Advertise in the Association's weekly publication, REALTOR® REPORT, at "member" prices.
- 6) Purchase C.A.R. forms (if the Affiliate chooses to join C.A.R.) and other supplies at the Association's service counter, with the exception of confidential MLS materials.
- 7) Be allowed to join the AM Federal Credit Union in the same manner as Association members.

b. Badges

The Association will issue badges annually for Affiliate members (Individual and Firm) to be used for gaining admittance to appropriate Association functions.

- 1) One Affiliate badge will be issued with each application fee paid.
- 2) Affiliate (Firm) members may purchase additional badges from the Association for \$10.00 per badge and may issue them to the employees of their firms who would then be eligible to gain admittance to appropriate Association functions. Such employees would be classed as Affiliate representatives.

J. MEMBERSHIP IMPLEMENTATION

1. Applicants shall be considered to have become members of the Association as of the date of making application and paying all appropriate fees subject to the approval of their application by the Board of Directors.
2. Applicants shall be subject to all Association Rules and Regulations, including the Code of Ethics, as of the date of making application and payment of all appropriate fees.

K. RETURN OF FEES

1. Failure to complete the required Association New Member Orientation Program within 30 days of said application date shall constitute automatic cancellation of application without privilege of having application fees refunded.
2. The unused portion of the dues shall be refunded upon applicant's written cancellation prior to attending the required New Membership Orientation Program.
3. In the event of disapproval of application by the Association, all fees collected at the time of application shall be refunded in full.

L. SECONDARY MEMBER PROVISIONS

Secondary REALTOR® members shall not be required to pay that portion of local Association dues necessary to enable the Association to meet its dues obligations to C.A.R./N.A.R., nor shall they be charged dues times the number of salespersons employed or affiliated with them. Key box entry cards are a service of the MLS. Secondary REALTORS® are responsible to assure that their Associates are not receiving Association services unless they join the Association.

M. HONORARY MEMBERS

REALTOR® members who have rendered a valuable outstanding service to the Association, to their communities, state or nation, may be eligible for Honorary Membership. They may be elected by action of the Board of Directors if they have been a REALTOR® member of the Association continuously for 25 years and have reached the age of 75. Honorary members shall not be required to pay that portion of local or state Association dues, but must continue to pay N.A.R. dues.

N. SUSPENSION

1. Due to Professional Standards Violations

- a. Suspension of membership constitutes loss of right to use the term REALTOR® in any fashion; loss of all services and benefits of S.R.A.R., C.A.R. and N.A.R.
- b. When a member is suspended due to a Professional Standards violation, such suspension shall be interpreted to be suspension from all such services as specified by the Hearing Panel unless the decision calls specially for suspension of membership.

2. Due to Suspension of REALTOR®-Salesperson

When a REALTOR®-Salesperson is suspended, his Responsible REALTOR® shall be notified of such action and said Responsible REALTOR® shall be responsible for enforcement of Bylaws, Rules and Regulations in denial of all such services as specified by the Hearing Panel of suspended members.

3. Due to Suspension or Revocation – See Article V., Section 11 a, b and c of the Bylaws.

4. Right to Notice and Hearing Before Suspension or Expulsion

Before any member is suspended or expelled, or otherwise terminated pursuant to the Bylaws or pursuant to any rules adopted in accordance with the Bylaws, the member involved shall be notified, in writing, at least 15 days prior to the suspension, expulsion or termination and the reasons therefore; and, in addition, such member shall be afforded a hearing not less than 5 days before the effective date of the suspension, expulsion or termination, before an officer or body authorized to decide that the proposed suspension, expulsion or termination not take place. At such hearing, the member will be afforded those rights provided in Section G.6(c) above.

5. Members should be aware that notice of suspension or expulsion is required to be sent to California Real Estate Technology Services, Inc. (CARETS), which may cause such member to be denied entry into other associations affiliated with CARETS. The same policy will apply should the Association hereafter affiliate with an MLS supplier organization other than CARETS.

O. REALTOR® & SECONDARY REALTOR® CHANGES

1. Firm Address Change

The Association's Firm Address Change Form must be completed by the Responsible REALTOR® only when the firm address is changed. This form must be submitted not less than 7 days after the address change. A list of licensees relocating to the new address must be submitted on the form. A REALTOR® Severance Form must be submitted for each REALTOR® who does not relocate.

2. Individual REALTOR® Address Change

The Association's Individual REALTOR® Address Change Form must be completed and submitted to the Association within 7 days of a REALTORS® relocation from one firm to another firm or relocation from one office to another office of the same firm.

3. New Branch Offices Utilizing Association Services

The Association's New Branch Office Form must be completed and submitted to the Association within 7 days of opening the branch office.

4. Firm Name Change

The Association's Firm Name Change Form must be completed and submitted to the Association within 7 days of the firm name change. This form does not apply to firm address changes.

P. REALTOR® AFFILIATION CHANGES

1. Severance

The Association's severance form refers to REALTOR® applicants and REALTOR® members only (both Resident and Non-Resident). The Responsible REALTOR® shall notify the Association not later than 7 days of a REALTOR® severance from said Responsible REALTOR®'s firm on the Association's Severance Form. A Responsible REALTOR® may be charged up to \$100.00 per REALTOR® for failure to report said severance within 7 days.

REALTORS® who are severed at the end of the calendar year are required to be affiliated with a Responsible REALTOR® member in order to receive a dues billing for the following year. If not re-affiliated by February 20, such Associates shall be dropped from membership.

2. Reaffiliation

The Association's Reaffiliation Form applies to REALTOR® applicants and REALTOR® members only (both Resident and Non-Resident). The Responsible REALTOR® shall notify the Association within 7 days of a REALTOR® applicant's or REALTOR® member's reaffiliation with said Responsible REALTOR®'s firm on the above mentioned form accompanied by the reaffiliation fee.

However, in the event that the reaffiliation is caused by expulsion, death or dissolution of business by the licensee's previous Responsible REALTOR®, the fee shall be waived. A Responsible REALTOR® may be charged up to \$100.00 per REALTOR® for failure to report said reaffiliation within 7 days.

3. Intra-Office Transfer

The Association Intra-Office Transfer Form applies to REALTOR® applicants and REALTOR® members only (both Resident and Non-Resident). When a REALTOR® applicant or REALTOR® member transfers from one branch office to another branch office within the same firm, the Responsible REALTOR® shall notify the Association within 7 days of such transfer on the above mentioned form.

4. Dropped from Membership for Non-Payment of Dues

- a. Upon receipt of notification from the Association that a sales associate is dropped from Membership for non-payment of dues, the RESPONSIBLE REALTOR® is required to do the following:
 - 1) Sever the delinquent member no later than March 15 by sending a severance form to the Association's office.
 - 2) Verify that the sales associate has paid his/her dues by March 15.
 - 3) In the event that any sales associate does not elect to pay his/her dues, the said RESPONSIBLE REALTOR® is responsible for registering the sales associate as a "SALESPERSON" and must pay the equivalent of dues for each delinquent "SALESPERSON".
 - 4) A RESPONSIBLE REALTOR® may be subject to an assessment not to exceed \$100.00 for each unreported delinquent sales associate for failure to comply with the above.

Q. REQUIREMENT TO NOTIFY ASSOCIATION OF AFFILIATION OF NEW SALES ASSOCIATES

RESPONSIBLE REALTOR® members are required to notify the Association when accepting the affiliation of a new sales associate. Such notification must be submitted within 7 days of affiliation. In this context, sales associate may be either a real estate licensed salesperson or broker. Failure to notify the Association may cause the REALTOR® member to be subject to an assessment not to exceed \$100.00 for each unreported sales associate. In the event that the new sales associate of a Responsible REALTOR® does not elect to apply for membership in the Association within 7 days of affiliation with the Responsible REALTOR®, said REALTOR® shall be responsible for registering the sales associate as a "SALESPERSON" in accordance with the Bylaws (Article IX, Section 2).

R. LEAVE OF ABSENCE

Leaves of Absence shall not be granted.

S. RESIGNATIONS

All requests for resignation from the Association must be in writing, and addressed to the Board of Directors. The resignation shall become effective only upon acceptance by the Board of Directors (Bylaws, Article V, Section 12). Ordinarily, a resignation will not be accepted until completion of any pending disciplinary or arbitration matters, and upon the

satisfactory termination or transfer of all obligations pursuant to the rules governing the MLS, including, but not limited to, provisions for the reaffiliation or termination of Associates, and return of all keybox entry cards.

T. REALTOR® RESPONSIBILITIES

It is the policy of the Southland Regional Association of REALTORS® that the Responsible REALTOR®, or Manager, will not automatically be named as a party, when an ethical complaint is filed against his or her Associate, except under the following circumstances:

1. The Responsible REALTOR® or Manager must be joined as a party to the original complaint and charges if named in the complaint, or may be joined if it is determined that they had knowledge of or participated in the alleged unethical conduct or transaction.
2. The Responsible REALTOR® or Manager may be charged with a violation of this section if it is alleged that the violation(s) of their Associate resulted from the lack of training or supervision of the Associate, or if the Responsible REALTOR® or Manager failed in their duty of supervision following discovery of the violation.

U. MISUSE OF THE ASSOCIATION'S PHOTO IDENTIFICATION CARDS

Membership Cards: Association Policy requires the issuance of photo identification membership cards to all members. It shall be the obligation of each member to abide by the following rules:

1. The Association, as a condition to the receipt of any services or products, or entry to any Association function, may require that the member produce his or her identification card.
2. The individual membership card may not be altered or modified in any way, nor may it be assigned, or transferred to any other person, nor may another person be given permission to use or possess the card.
3. In the event of the loss or theft of the card, the member shall report the loss to the Association immediately upon discovery of the loss or theft. A new replacement card will be issued upon the payment of a fee of \$7.50. If the former card is returned to the member located or otherwise discovered it shall be returned promptly to the Association for cancellation.

V. FALSE AND MISLEADING ADVERTISING

1. Sales and Listing "Production" Claims

The terms "Production," "Sales Volume," "Sales Production" are words commonly used to refer to dollar volumes in the sale and the listing of real property. The use of such words or phrases together with a dollar amount, such as, "Joe Smith's production in the first six months of this year was X dollars," must be accurate and promotion shall adhere to the following requirements:

- a. **"Production" is Closed Escrows:** All references to sales volume, production, etc. must be based upon closed escrows only, unless the open escrows or pending sales are clearly identified as open or closed escrows. It is not improper to total such figures, so long as the individual components are clearly identified.
 - b. **Affiliate Activities:** Affiliate activities or services, such as escrow, insurance title or mortgage fees, or the dollar amount of properties involved, shall not be incorporated in sales or listing totals.
 - c. **Advertising to Identify Time Period Involved:** Any reference to sales or listing "production" or "volume" shall also set forth the specific period during which the escrows closed, or listings taken, etc.
 - d. **Listing Inventory:** Listing inventory shall be existing unsold listings and new listings taken. For example, "Joe Smith took five new listing during the week of _____. His inventory is now X dollars."
 - e. **Appropriate Advertising:** It is not the intention of the Association in the above requirements to inhibit agents from fully utilizing their sales and listing activities in their advertising, provided it is stated in such a way as to not be misleading or unfair. Thus, for example, a selling agent may include the dollar amount of properties sold, but not listed by the agent, if the advertising clearly identified the agent's role as that of selling agent or buyer's agent.
2. **Million Dollar Clubs, etc.**
- The requirements for inclusion in club designation such as "Million Dollar Club" are within the sound discretion of the Responsible REALTOR®. The Association urges its members to adopt requirements which will present a true picture to the public. Thus, inclusion of an agent in a "Million Dollar Club" when, in fact, the agent is merely "on track" to becoming a million dollar sales producer, is not permitted.
3. **Intra-Company Reporting**
- These rules are not intended to apply to intra-company reporting or promotion. However, those members involved in company promotions, including, but not limited to managers and Responsible REALTORS® will be chargeable for adherence to these rules in company advertising and promotion.
- The Responsible REALTOR® must also be careful to avoid utilization by agents of intra-company reports in contacts with members of the public.
4. **Market Share Advertising**
- Advertising of statistics relating to the market share enjoyed by a real estate entity must be accurate and sufficiently complete so as to not be misleading. Records should be maintained to support any such advertising, in reasonable detail, on both company records and other records used for comparison purposes. However, any advertisement or other forms of public representations must clearly demonstrate the period of time over which such claims are based.

5. **Use of Association MLS Statistics**

If reliance is made on Association or MLS data, the advertising or promotion shall adhere to NATIONAL ASSOCIATION OF REALTORS® MLS Policy in regard to LIMITATIONS ON USE OF MLS INFORMATION: Use of information from the MLS compilation of current listing information, from the Association's 'Statistical Report,' or from any 'sold' or 'comparable' report of the Association or MLS for public mass media advertising by an MLS Participant or in other public representations may not be prohibited.

The following notice must be included when data from the Association or its MLS is used.

NOTE: This representation is based in whole or in part on data supplied by the Association of REALTORS® or its Multiple Listing Service. Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy.

6. Use of words like "top producer," "leading producer" and the like are discouraged, and members must be careful not to incorporate these phrases in such a way as to imply that the agent is in fact the top or the leading salesperson in a given area, or time period, unless that person is prepared to support the representation with convincing evidence. In most instances, the use of such terms would constitute a misrepresentation, and not simply hyperbole or "puffing."
7. Members are encouraged to retain accurate records of all sales and listing data that supports claims made in any advertising material, including materials submitted to newspapers.