

SHASTA ASSOCIATION OF REALTORS®



SHASTA ASSOCIATION MODEL BYLAWS
LOCAL REALTOR® MEMBERSHIP
CURRENT VERSION APRIL 2010

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**BYLAWS OF THE
SHASTA BOARD OF REALTORS®, INC.**

Adopted 2006

ARTICLE I - NAME

SECTION 1: Name: The name of this organization shall be the Shasta Association of Realtors, Inc., Association of REALTORS®, Incorporated (hereinafter referred to as the “A.O.R.” The term “Association” is used when referring to any Association of REALTORS®).

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

ARTICLE II - OBJECTS

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

a) To unite those engaged in the recognized branches of 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 interest 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 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 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.

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 terms 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 and Policies: The A.O.R. may adopt any Rules and Regulations or Policies not consistent 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 of policies and the Bylaws of the A.O.R. (hereinafter "Bylaws") shall be controlled by the Bylaws.

ARTICLE IV - JURISDICTION

SECTION 1: Description of Jurisdiction: The Territorial jurisdiction of the A.O.R. as a member of N.A.R. shall include all of Shasta County.

SECTION 2: Jurisdictional Rights: Territorial jurisdiction is defined to mean the right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth in the Bylaws and those of N.A.R., and to protect and safeguard the property rights of N.A.R. in those terms.

ARTICLE V - MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE

SECTION 1: Classes of Membership: There shall be five classes of membership:

- a) REALTOR® Members
- b) Institute Affiliate Members
- c) Affiliate Members
- d) Public Service Members
- e) Honorary Members

SECTION 2: Qualifications of REALTOR® Members:

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

- a) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license, and
- b) Act as a sole proprietor, partner, corporate officer of a real estate firm or office Manager of a real estate firm acting on behalf of the firm's principal(s), and
- c) Remain actively engaged in the real estate profession; and
- d) Remain employed by or affiliated as an independent contractor with a REALTOR® member who meets the requirements in Section 2.1 of this Article V for any Association in California or a state contiguous thereto.

2.2 REALTOR® members, whether primary or secondary, other than principals, partners, corporate officers, or branch office managers of real estate firms shall:

- a) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license; and
- b) Remain actively engaged in the real estate profession; and
- (c) Remain employed by or affiliated as an independent contractor with a REALTOR® member who meets the requirements in Section 2.1 of this Article V for any Association in California or a state contiguous thereto.

2.3 REALTOR® members may be franchise corporate officers as described later in Article V, Section 2.8.

2.4 Each firm shall designate in writing one "Designated REALTOR®" 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 11. The “Designated REALTOR®” must be the sole proprietor, partner, corporate officer or an office manager acting on behalf of the firm’s principal(s) and must have the authority to bind the firm in arbitrations and must meet all other qualifications for REALTOR® membership set forth in Article V, Sections 2.1 of the Bylaws.

2.5 Association of Choice:

(a) Primary Membership: Licensees affiliated with a REALTOR® firm may choose as their “primary” Association, any Association within California where the firm maintains a “Designated REALTOR®.” If a REALTOR® is a primary member of the A.O.R., the A.O.R. pays C.A.R. and N.A.R. dues for that individual.

(b) Secondary Membership: A REALTOR® who has joined another association as a primary member may join the Shasta Association of Realtors as a secondary member. The Designated REALTOR® of the secondary member must also join the A.O.R. as an MLS Participant in order for the secondary member to obtain participatory rights. The conditions for secondary membership shall be no more stringent than for primary membership and the privileges of membership shall be the same including the right to vote and hold office.

2.6 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 there to are franchise corporate officers as described below shall be ineligible for any class of membership other than REALTOR® membership. Each is required to hold REALTOR® membership individually in a local Association in California (except as provided in section 2.7) or in a state contiguous thereto, if they meet all the other qualifications set forth in Article V, Sections 2.1, 2.2, or 2.3 of the Bylaws unless they otherwise qualify for Institute Affiliate membership as described in Article V, Section 3.

2.7 In the case of a real estate firm, partnership or corporation whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the A.O.R. in which one of the firms 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.

2.8 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: Qualifications for Honorary Members: Honorary members shall be those persons recognized by the Board of Directors as persons who have performed notable service for the real estate profession, for the Shasta Association of Realtors and for the public.

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

(b) Applicants for membership shall be familiar with and agree to abide by the Bylaws and Rules and Regulations of the A.O.R., the Bylaws of C.A.R. and the N.A.R.

Constitution, Bylaws, and Code of Ethics, to the extent they are applicable, and pass such a reasonable and nondiscriminatory written examination thereon as may be required by the Board of Directors, its Membership Committee, 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; (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 in the past three (3) years, the applicant may be required to pay to pay cash in advance for A.O.R. ad MLS fees for up to one year from the date the membership is approved or from the date that the applicant is discharged from bankruptcy, whichever is later. If the Board of Directors determines that such prepayments will not protect the interests of the A.O.R. or its members, such applications may be rejected.

SECTION 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 award or unpaid financial obligations to the Association or its MLS.

NOTE: Article IV, Section 2, of the N.A.R. Bylaws prohibits a Member A.O.R. from knowingly granting REALTOR® or REALTOR - ASSOCIATE® 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 Membership Committee shall determine whether the applicant is applying for the

appropriate class of membership. It shall then give written notice to the REALTOR® members of such application and invite written comment. If one or more of the REALTOR® members object to the approval of the application, basing such objection on lack of qualification as set forth in 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 9, from any Association of which the applicant was previously a member. The Membership Committee shall thereafter make a written report of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws.

(b) Within 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 any member of the Membership Committee submits a dissenting recommendation, it shall also be reported to the applicant and Board of Directors. The applicant shall also be notified of his or her right to appear before the Board of Directors.

(c) The Board of Directors shall review the qualifications of the applicant and the recommendations of the Membership Committee and then vote on the applicant’s eligibility for membership. If the applicant appears, he or she may be represented by counsel, call witnesses on his or her behalf and make such statements that he or she deem relevant. The Board of Directors may also have counsel present. If the applicant receives a majority vote of the Board of Directors, he or she shall be declared accepted as a member and shall be advised by written notice.

(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 the 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. Association may reconsider the membership status of provisional members when all pending ethics and arbitration matters and related discipline have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the

same privileges and obligations of REALTOR® membership. 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 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 120 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 a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed.

Members suspended for failing to meet the requirement for the first four (4) year cycle (2001-2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership.

Failure to meet the requirement for the second (2005-2008) cycle and subsequent for (4) year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of and four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 6/05).

SECTION 11: Suspension or Revocation of License: A member of this board who has his real estate license either suspended or revoked for any reason by the State of California shall notify the board of such as soon as the license is so advised.

a) A member of the board whose license has been suspended by the State of California is automatically suspended from membership in the board as of the date of such action by the State of California. Said former member must reapply for board membership in the manner prescribed for new applicants upon attaining another valid real estate license from the State of California.

SECTION 12: Successor of Interest: Membership shall be non transferable, however, a REALTOR®, Designated REALTOR® in good standing may record with the Executive Officer of the Board the name of a member or co-partner, corporation of his immediate family as successor in interest, provided said successor is a member in good standing of S.A.R., C.A.R. and N.A.R.

SECTION 13: Status Changes

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

unless otherwise so directed by the Board of Directors.

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

(c) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant. Dues shall be prorated from the first day of the quarter in which the member is notified of acceptance by the Board of Directors of his or her change in status and shall be based on the new membership status for the remainder of the year.

SECTION 14: Resignation. Resignation of members shall become effective when received in writing by the Board of Directors, provided, however, that if any member submitting the resignation is indebted to the A.O.R. for dues, fees, fines or other assessments of the A.O.R. or any of its services, departments, divisions or subsidiaries, the A.O.R. may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

ARTICLE VI - PRIVILEGES AND DUTIES OF MEMBERSHIP

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 California Code of Ethics and Arbitration manual. 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 consistent 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 investigation 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 the counsel for the A.O.R.

(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 *California Code of Ethics and Arbitration Manual*, provided that the discipline imposed is consistent with N.A.R. policy as set forth in the *California Code of Ethics and Arbitration Manual*.

SECTION 3: Resignation with Pending Arbitration or Disciplinary Hearing: If a member resigns from the 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. or submit to the arbitration proceeding and abide by the decision of the hearing panel. If a member resigns or in 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. and to abide by the Code of Ethics as set forth in Article VII, Section 2 of the Bylaws.

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

(c) REALTOR® members may use the terms REALTOR® and REALTORS® subject to the provisions of Article VIII.

(d) If a REALTOR® member who is a sole proprietor , principle 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 term REALTOR® or REALTORS® in connection with its business during the period of suspension 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.

(2) The disciplined member relinquishes management control of the firm.

The membership of REALTORS® who are employed or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of

suspension or expulsion unless: (1) the disciplined member severs his or her connection with the firm, partnership or corporation; (2) the disciplined member relinquishes management control of the firm; or (3) the non-principal REALTOR® member elects to sever his or her connection with the disciplined member and affiliates with another REALTOR® member in good standing in the Association. If a REALTOR® member other than as 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 functioning as an employee or independent contractor, provided no management control is exercise.

(e) In any action taken against a principal REALTOR® member for suspension or expulsion, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® member and they shall be advised that the provisions in this Article VI, Section 5 shall apply.

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

SECTION 7: Certification by “Designated” REALTORS®:

Designated REALTORS® shall certify to the A.O.R. during the first month of the fiscal year on a form provided by the A.O.R. , a complete listing of all individuals licensed or certified under California law with the REALTOR® firm(s) and shall designate the primary Association, if any, for each individual. These declarations shall be used for purposes of calculating dues under Article IX, Section 2 of the Bylaws. “Designated” REALTOR® members shall also notify the A.O.R. of any additional individual(s) licensed or certified with the firm(s) and of any individual whose affiliation with the firm was severed within thirty days of the date of affiliation or severance of the individual(s).

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

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

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

ARTICLE VIII - USE OF THE TERMS REALTOR® AND REALTORS®

SECTION 1: Use and Control of REALTOR® membership Marks: Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of 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 so long as they remain REALTOR® members in good standing. No other class of member 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 the principals of such firm, partnership or corporation who are actively engaged in the real estate profession are REALTOR® members.

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

SECTION 4: Institute Affiliate Members Ineligible to Use REALTOR® Membership Marks. Institute Affiliate members shall not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of N.A.R.

ARTICLE IX - DUES AND ASSESSMENTS

SECTION 1: Application Fee: The Board of Directors may adopt a reasonable application fee for membership in the A.O.R. The application fee for REALTOR® membership shall not exceed three times the amount of the annual dues for REALTOR® membership. The application fee shall be required to accompany each application for membership in the A.O.R. and shall become the property of the A.O.R. upon final approval of the application.

SECTION 2: Dues:

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

(b) The dues of each Designated REALTOR® member shall be a base amount plus an amount multiplied by the number of real estate licensees and licensed or certified appraisers under California law to which he or she certified under Article VI, Section 11, and who: (1) are employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed or certified with such REALTOR® member; and (2) are not REALTOR® members of any Association within California or a state contiguous thereto or Institute Affiliate members of this A.O.R.. In calculating the dues payable to the A.O.R. by a Designated REALTOR® member, non-member licensees as defined in (1) and (2) of this sub-paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on non-member licensees to another Association within the state of California or a state contiguous thereto, provided the Designated REALTOR® notifies the A.O.R. in writing of the identity of the Association to which dues have been remitted.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form (LFRP) 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®.

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

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

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

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

(e) In the case of a Designated REALTOR® member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in sub- paragraph (b) of this Section) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

(f) 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: Dues Payable: Dues for all members shall be payable annually in advance on the first day of January. Dues shall be computed from the first day of the quarter in which a member is notified of acceptance and shall be prorated for the remainder of the year. Any member who initiates bankruptcy proceedings may be placed on a “cash basis” from the date the bankruptcy petition is filed until one year from the date that the member has been discharged from bankruptcy. All dues or fees paid to the A.O.R. are nonrefundable, except for those dues returned to a terminated provisional member as provided in Article V, Section 10.

SECTION 4: Nonpayment of Financial Obligations:

(a) If dues, fees, fines, or other assessments including amounts owed to the A.O.R. or its Multiple Listing Service are not paid within one month after the due date, the nonpaying member is subject to suspension. Upon suspension for nonpayment of amounts owed, all Local, State and National REALTOR® benefits will be discontinued. Two months after the due date, membership of the nonpaying member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. Furthermore, no member shall be suspended or expelled until twenty days after notice of a proposed suspension or expulsion has been mailed to him or her, which notice may be given before or after expiration date of the one month limit or two month limit. All 30 days notifications of delinquent fees will be emailed to the REALTOR® with a copy notifying the Designated REALTOR®. All subsequent notifications will be sent “certified mail” return receipt to the REALTOR® and Designated REALTOR® of the office.

(b) If within ten days after the mailing of notice, the Member requests a hearing, the

effective date of the suspension or expulsion shall be deferred until after such hearing. The Board of Directors shall mail to the member at least five days prior to the hearing a notice of the time and place of the hearing. At the hearing the Board of Directors shall receive evidence from the member and may receive evidence from any other person on the issue of whether the member was delinquent in the payment of fees or charges and on the issue of whether it would be in the best interest of the A.O.R. to suspend or expel the member.

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

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

(e) A member who has been expelled may apply for reinstatement in the manner prescribed for new applicants for membership, upon making a full payment of all past due accounts, together with interest at the rate of ten percent per annum on each item comprising the accounts, from its due date until paid, and after complying with all sanctions imposed by a disciplinary panel together with payment of the application fee required of new applicants.

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

SECTION 5: Reinstatement After Termination for Nonpayment of Financial Obligations: A former member who has had his or her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the A.O.R. or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, only after making payment in full of all accounts due as the date of termination.

SECTION 6: Deposit. All Moines received by the A.O.R. for any purpose shall be

deposited to the credit of the A.O.R. in a financial institution or institutions selected by resolution of the Board of Directors.

ARTICLE X - OFFICERS AND DIRECTORS

SECTION 1: Officers: The elective Officers of the A.O.R. shall be: a President, President/Elect, a Secretary and a Treasurer (Chief Financial Officer). The offices of Secretary and Treasurer may be held by the same person; otherwise, no person may hold more than one office at the same time. The Executive Officer is the chief staff person of the A.O.R. but is not an officer or member of the Board of Directors

SECTION 2: Qualifications for Officers and Directors:

(a) The President shall have been a member of the Shasta Association of Realtors for at least (5) consecutive years and a member of the Board of Directors for one of the five years. In addition the President must have served on a policy making committee of the Association within one of the five years.

(b) President Elect must have been a member of the Shasta Association of Realtors for at least (5) consecutive years and a member of the Board of Directors for one of the five years. In addition the President Elect must have served on a policy making committee of the Association within one of the five years. President Elect must fulfill the three year obligation before seeking to run for President Elect for a second term. The three year obligation consists of President Elect, President and Immediate Past President.

(c) Secretary/Treasurer shall have been a member of the Shasta Association of Realtors for at least two years preceding taking office and shall have served on the Finance Committee.

(d) Realtor members shall have been a member of the Shasta Association of Realtors for at least 3 years and a member of a policy making committee for one of the three years.

(e) There shall be no more than three elected Officers and Directors from the same firm.

(f) Once elected as Officer/Director a change in office status is made during the term the elected member shall complete his or her term.

SECTION 3: Duties of Officers/Directors:

(a) President shall be the Chief Executive of the Corporation and shall be subject

to the control of the Board of Directors, have general supervision, direction and control of the business and Officer of the Corporation He/she shall preside at all meetings of the membership and at all meetings of the Board of Directors, He/she shall have the general powers and duties of management usually vested the President of the Corporation and have such other powers and duties as maybe prescribed and directed by the Board of Directors and the Bylaws. He/she shall render an annual report on the affairs of the Board at the conclusion of his/her term in office. The Executive Officer is the chief staff person of the Association but it is not an Officer or member of the Board of Directors. The President shall be Ex-Officio in all committees has authority to attend but shall not Chair or participate in the Committee.

(b) President/Elect: In the absence or disability of the President, the President/Elect shall perform all duties of the President, when so acting shall have all the powers of the President. The President/Elect shall have such other powers and shall perform such other tasks and duties as from time to time may be prescribed by the Board of Directors.

(c) Secretary/Treasurer shall keep and maintain or cause to be kept and maintain adequate and correct accounts of properties and business transactions of the Board. The Treasure shall deposit or cause to be deposited all monies and valuables to the credit of the Board with such depositories as maybe designated from time to time by the Board of Directors. The Secretary/Treasurer shall be the Chairperson of the Finance Committee.

SECTION 4: Board of Directors:

(a) The governing body of the Association shall be a Board of Directors consisting of the Elective Officers and eight (8) other Directors. From the total composition of 11, there must be a minimum of three (3) Designated Realtors and a minimum of three (3) Associate Realtors. The Past President shall automatically be a Director for one term.

(b) The Elected Officers shall serve for a one year term and the Directors upon election shall serve as follows:

- (1) The two highest vote getters will serve a three year term.
- (2) The next two highest vote getters will serve a two year term.
- (3) All other elected vote getters will serve a one year term.

(c) Powers of the Directors; Subject to the California Nonprofit Corporation and any limitations in the Articles of Incorporations of the Bylaws, and of any and all laws of the State of California, all corporate powers shall be under the direction of the Board. Business and Affairs of the Corporation shall be directed by the Board of Directors. Without prejudice to such general powers but subject to the same limitations, it is hereby expressly declared that the Board of Directors in addition to the powers granted by the Board Bylaws of the Corporation.

(d) To conduct, manage and control the business of the corporation and to make such rules and regulations as they may deem best therefore not inconsistent with the law, the Articles of Information of the Bylaws of the Corporation.

(e) To cause an audit or review of the books of the Association and to have said review or audit on an annual basis performed by a Certified Public Accountant.

(f) To approve the Presidents nominees for the California Association of Realtors alternates and Directors.

(g) In case of ambiguity, the Directors interpretations of these bylaws shall be final and conclusive.

(h) To change the principal office for transaction of business of the Corporation from one location to another within the same county, to fix and locate from time to time one or more offices of the corporation.

SECTION 5. Election of Officers and Directors:

(a) Two months before the annual election ad Nominating Committee of at least seven (7) Realtor members shall be appointed by the President with final approval by the Board of Directors. Said committee shall consist of two members from the Board of Directors, two Chairpersons, two members from the general membership and the Chairperson appointed by the President.

(b) The Nominating Committee shall select at least two candidates for each office and at least two candidates for each place to be filled on the Board of Directors. An equal amount of designated Realtors and Associate Realtors to be nominated for each office. The report of the Nominating Committee shall be mailed or published to each Realtor member at least four weeks preceding the election

(c) The Nominating Committee shall be presented at the General Board meeting the month preceding the Annual Meeting. Members shall have the right to make nominations from the floor at that time providing the person being nominated shall have first given his or her consent.

(d) The Election of Officers and Directors shall take place at the time and place designated by the Board of Directors. Election shall be by written ballot and all votes must be case in person unless voting by mail is approved by the Board of Directors. Any person who will be absent from the area during Election Day or is too ill to attend the election may obtain a special absentee ballot not more than 10 days before the election. Said ballot when marked shall be sealed in an envelope marked "Ballot" and contain signed statement by the member giving reason for not being able to vote in person at said election and shall be affixed to the envelope. The ballots shall contain the names of all candidates and the office for which they are nominated along with a space provided for

write in candidates. The President with approval of the Board Directors shall appoint an Election Committee of six (6) Realtor members to conduct the election. No member of the Election Committee maybe a candidate for office or the Board of Directors. In case there is more than one candidate for a single position, the candidate receiving the greater number of votes shall be declared elected by the Election Committee. In case of tie vote, the issue shall be determined by lot.

(e) A Designated Realtor member shall have a full vote in the Election of Officers and Directors. In addition each Designated Realtor, Head of Office may cast an additional full vote on behalf of their office.

(f) A Realtor member shall have a full vote in the election of Officers of Directors.

SECTION 6: Removal Of Officers and Directors: Any of Said Officers and Directors may be removed from his/her office by a majority vote of the membership while not less than a quorum is in attendance as outlined in Article XI, Section 8 of these Bylaws provided not less than two (2) weeks notice is given.

SECTION 7: Vacancies: Vacancies in the Board of Directors shall be filled by the President with approval of the Board of Directors. A vacancy in the Board of Directors shall be deemed to exist in the event of death, resignation or removal of any Officer or Director or if a Officer or Director shall fail to attend three consecutive regular meetings of the Board of Directors without an excuse acceptable to the Board of Directors. Applicants to fill a vacancy shall be a member from the class of membership necessary to constitute the board as herein stated in Article X, Section 2. The appointee shall serve the remainder of the term.

SECTION 8: Meetings Of The Board Of Directors: Meetings of the Board of Directors shall be held in such places as may be designated from time to time by resolution of the Board of Directors.

In the absence of such designation, meetings shall be held at the principal office of the Corporation. Regular meetings of the Board of Directors shall be held not less than once per month except in the months where regular meetings may be suspended.

SECTION 9: Special Meetings: Special meetings of the Board of Directors for any purpose may be called at any time by the President or by any three Directors. Written notice of the time, place and purpose of the special meeting shall be delivered personally to the directors by mail or telegram, charges prepaid, addresses to him at last address shown by the records of the Board. In case such notice is mailed, it shall be deposited in the United States mail at Redding at least forty-eight (48) hours prior to the time for holding the meeting. Such mailing or delivery or telegram as above provided shall be due, legal and personal notice to such Director.

SECTION 10: Quorum and Number Of Officers and Directors Required To Act: Six members of the Board of Directors shall constitute a quorum for the transaction of business except to adjourn as hereinafter provided. The majority of the Board of Directors present at any meeting while a quorum is in attendance shall be sufficient to act except where otherwise provided by law. A quorum is defined in Article XI, Section 8 of these Bylaws.

SECTION 11: Adjournment: In the absence of a quorum, a majority of Directors present at any Board of Directors meeting either regular or special may adjourn from time to time until the time for the next regular meeting of the Board of Directors.

SECTION 12; Notice of Adjournment: Notice of the time and place for holding an adjourned meeting need not be given to absent Directors if the time and place at the meeting adjourned and be not more than thirty (30) days thereafter.

ARTICLE XI - MEETINGS

SECTION 1: Directors Meetings: The Directors shall meet at regular times. Absence from three consecutive regular meetings, without an excuse deemed valid by the President, may be construed as a resignation.

SECTION 2: Special Directors Meetings: Special meetings of the Directors may be called by the President, or, in Presidents absence by the President/Elect, or by any three (3) Directors or by twenty-five (25) REALTOR members, provided a written notice of not less than forty-eight (48) hours is mailed to each Directors address if record, stating the time and place and purpose of the meeting.

SECTION 3: Annual Report: The books and records of the Board shall be audited or reviewed by competent auditors as ordered by the Board of Directors. Auditors report shall be available at the Board office for members inspection.

SECTION 4; Annual Meeting: The annual meeting of the Board shall be held at a date, place and hour to be designated by the Board of Directors.

SECTION 5: Inaugural Meetings: The annual Inaugural meeting shall be at a place, date and hour designated by the Board of Directors.

SECTION 6; Other Meetings: Membership meetings may be held at such time, place as the President or the Directors may determine.

SECTION 7: Notice Of Meetings: For any membership meeting, a written notice shall be given to the membership by publication in a bulletin at least seven (7) days prior to such a meeting.

SECTION 8: Quorum: For Directors meetings, a quorum shall be six (6) Directors including Officers. At any membership meeting, quorum shall be twenty five (25) Realtor members. A quorum for committee meetings shall be a majority of committee members

except where otherwise specified.

SECTION 9: Meeting Place: Unless otherwise provided, meetings of the Directors shall be held at the office of the Board.

ARTICLE XII - COMMITTEES

SECTION 1: Appointment: The President shall appoint all committees subject to confirmation by the Board of Directors. The President shall be notified of all committee meetings and shall have the right to attend their sessions and take part in their discussions.

SECTION 2; Duties: Committees shall have such duties and functions as may be designated and assigned them by the Board of Directors, except herein provided.

SECTION 3: Size And Term: Committees shall consist of such a number of members as the President may determine and shall be appointed for a term of one year or until their successors have been duly appointed and confirmed or until they are officially discharged.

SECTION 4: Action: All actions of the Committee shall be subject to the approval of the Board of Directors, except, as otherwise provided in these Bylaws or as set forth in the Rules and Regulations.

SECTION 5: Standing Committees:

(a) **Membership Committee:** It shall be the duty of this committee to maintain and increase board membership and to make recommendations to the Board of Directors for membership approval.

(b) **Legislative Committee:** It shall be the duty of this committee to guard and promote the interest of the real estate profession before all legislative bodies, to study all proposed amendments to real estate, to keep the board informed thereon, and to perform such other duties pertaining to legislation as may be called to its attention.

(c) **Program:** It is the duty of this committee to provide such programs as may be for the benefit of the membership, entertainment and welfare of the board. The cost and character of programs shall be subject to the approval of the Board of Directors.

(d) **Communications:** It shall be the duty of this committee to assemble and to secure the publication of information relative to Corporation Affairs and the real estate profession in general, and to have charge of all advertising done by the board, and to make recommendations for publicity and advertising to the Board of Directors as may be to the interest of the Board and the real estate profession.

(e) **Finance and Budget Committee:** This committee, consisting of three (3) board members in cooperation with accountant provided by the Board of Directors, shall

check the books, bank account and statement of the Treasurer and shall certify all periodicals or annual reports made by the treasurer and shall plan the budget for next year. The elected treasurer shall serve as the chairperson of the budget and finance committee.

(f) Advisory Committee: An Advisory committee shall be appointed composed of not less than five (5) members, each of whom shall be a Past President of the Board. Chairman will serve as Ex-officer member of the Board of Directors.

1. The purpose of the Advisory Committee shall be to advise the President and the Board of Directors in matters of policy concerning Board affairs.

2. The group will also be known as the Past Presidents group.

(g) Professional Standards Committee: This Committee shall be in accordance with Article XIX of these Bylaws. The Shasta County Board of Realtors adopts the Code of Ethics and the Professional Standards Manual of C.A.R. and its amendments as required from time to time. The responsibility of the Board and of Board Members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the Board, as from time to time amended which by this reference is made part of these Bylaws. It shall be the duty and responsibility of every

Realtor and Non Resident member of this board to abide by the Constitution and Bylaws and the Rules and Regulation of the Board, the Constitution and Bylaws of the State Association of Realtors, and to abide by the Code of Ethics of the National Association of Realtors, including the duty to arbitrate controversies arising out of the real estate transactions as specified by Article 14 of the Code of Ethics and Arbitration Manual of this board as from time to time amended.

ARTICLE XIII - FISCAL AND ELECTIVE YEAR

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

ARTICLE XIV - RULES OF ORDER

SECTION 1: Roberts Rules of Order: Latest edition shall be recognized as the authority governing the meetings of the Board of Directors, Committees and Divisions, in all instances wherein the provisions do not conflict with these Bylaws.

ARTICLE XV - AMENDMENTS

SECTION 1: Amendments 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 the quorum is present approve amendments to the Bylaws which are mandated by the N.A.R. policy.

SECTION 2: Notice: Notice of all meetings at which amendments are to be considered shall be mailed to every member eligible to vote at least seven calendar days prior to the meeting.

SECTION 3: Approval of Amendments by N.A.R. Amendments to these Bylaws affecting the admission or qualifications of Realtors and Affiliate members, the use of the term Realtor and Realtors, or any alteration in the territorial jurisdiction of the Association, shall become effective upon their approval as authorized by the Board of Directors of N.A.R.

ARTICLE XVI - DISSOLUTION

SECTION 1: Upon the dissolution or winding up of affairs of this board, the Board of Directors after providing for the payment of all obligations shall distribute any remaining assets in the California Association or within its discretion, to any non profit tax exempt organization.

ARTICLE XVII - MULTIPLE LISTING SERVICE

Section 1. Authority. The association of REALTORS® shall maintain for the use of its members a Multiple Listing Service which shall be subject to the Bylaws of the association of REALTORS® and such rules and regulations as may be hereinafter adopted.

Section 2. Purpose. A multiple listing service is a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease). (Amended 11/04)

Section 3. Participation. Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a

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

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and ongoing basis during the operation of the participant's real estate business. The “actively” requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a “Virtual Office Website” (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

Section 4. Supervision. The activity shall be operated under the supervision of the multiple listing committee, in accordance with the rules and regulations, subject to approval of the board of directors of the association of REALTORS®.

Section 5. Appointment of Committee. The president shall appoint, subject to the confirmation of the board of directors, a multiple listing committee of _____ REALTORS® members. All members of the committee shall be participants in multiple listing except, at the option of the local association, REALTORS® (or REALTOR-ASSOCIATE®s, where applicable) affiliated with participants may be appointed to serve in such numbers as determined by the local association. The committee members so named shall serve two-year, staggered terms.* The committee shall select its chairperson from among the members thereof. (The chairperson may be designated by the president.)

*Associations have the option to establish a longer or shorter term for service to the committee and need not provide for staggered terms for committee appointments.

Section 6. Vacancies. Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7. Attendance. Any committee member who fails to attend three (3) consecutive regular or special meetings of the committee, without excuse acceptable to the chairperson of the committee, shall be deemed to have resigned from the committee and the vacancy shall be filled as herein provided for original appointees.

Section 8. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS participant or the participant's licensed designee.

SECTION 1: Authority and Governing MLS Rules: *The Association may maintain for the use of licensed real estate brokers and salespersons and licensed or certified appraiser, a Multiple Listing Service (MLS) which shall be subject of the Bylaws of the Association and the California Model MLS Rules as from time to time amended by C.A.R. which are hereby incorporated by reference and such additional local MLS Rules and Regulations as may be hereinafter adopted by the Board of Directors. In the event of a conflict between the California Model MLS Rules and the local MLS Rules and Regulations, the local MLS Rules and Regulations will control.*

SECTION 2: Purpose: *A Multiple Listing Service is a mean by which authorized MLS Broker participants establish legal relationships with other participants by making a blanket unilateral contractual offer of compensation and cooperation to other broker participants, by which information is accumulated and disseminated to enable authorized participants to prepare appraisals and other valuations of real property; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the*

participants so that they may better serve their clients and the public.

SECTION 3: MLS Committee: *The Association President shall appoint subject to the confirmation of the Board of Directors, a MLS Committee of Realtor members. All members of the committee shall be MLS participants or subscribers. The President shall select the MLS committee Chair and Vice Chair among the MLS Committee members. The actions of the MLS Committee are subject to the approval of the Board of Directors.*

SECTION 4; Access to Comparable and Statistical Information; *Providing the MLS generates such publication, Association members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS are nonetheless entitled to receive, by purchase or lease, information other than the current listing information that is generated wholly or in part by the MLS including Comparable information, sold information and statistical reports. This information is provided for the exclusive use of Association members and individuals affiliated with Association members who are also engaged in the real estate business. Except as retransmitted to provided in any manner to any unauthorized individuals, office or firm. Association members who receive such information are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.*