

**High Desert Association of REALTORS®
Bylaws**

**Table of Contents
REVISED November 2018
Redlined COPY**

Article I - Name

- Section 1. Name
- Section 2. REALTOR® Membership Mark in Name of Association

Article II - Objectives

- Section 1. Objectives

Article III - National and State Memberships

- Section 1. Association Membership in N.A.R. and C.A.R.
- Section 2. Ownership and Use of REALTOR® Membership Marks
- Section 3. Adoption & Enforcement of N.A.R. Code of Ethics; Compliance with N.A.R. & C.A.R. Governing Documents & Policies
- Section 4. Other Association Rules, Regulation & Policies

Article IV - Jurisdiction

- Section 1. Description of Jurisdiction
- Section 2. Jurisdictional Rights

Article V - Membership, Qualification, Application and Acceptance

- Section 1. Classes of Membership
- Section 2. Qualifications of REALTOR® Members
 - 2.1 REALTOR® members, whether primary or secondary, who are principals, partners, officers, or branch office managers of a real estate firm shall:
 - 2.2 REALTOR® members whether primary or secondary, other than principals, partners, officers, or branch office managers of real estate firms shall:

- 2.3 REALTOR® members may be franchise corporate officers
 - 2.4 Designated REALTORS®
 - 2.5 Association of Choice
 - 2.6 Required REALTOR® Membership of Officers and Partners
 - 2.7 Commercial Firms
 - 2.8 Franchise Corporate Officers
- Section 3 Qualifications of Institute Affiliate Members
 - Section 4 Qualifications of Affiliate Members
 - Section 5. Qualifications of Public Service Members
 - Section 6. Qualifications of Honorary Members
 - Section 7. Qualifications of Student Members
 - Section 8. Qualifications for REALTOR® Esteem
 - Section 9. Membership Application
 - Section 10. Prior Membership Records
 - Section 11. Application Review and Acceptance
 - Section 12. New Member Code of Ethics Orientation
 - Section 13. Continuing Member Code of Ethics Training
 - Section 14. Status Changes
 - Section 15. Resignation

Article VI - Privileges and Duties of Membership

- Section 1. Member Compliance with Bylaws, Policies, Rules and Regulations
- Section 2. Member Discipline
- Section 3. Resignation with Pending Arbitration or Disciplinary Hearing
- Section 4. Voting Rights and Eligibility for Elective Office
- Section 5. Privileges and Duties of REALTOR® Members
- Section 6. Privileges and Duties of Institute Affiliate Members
- Section 7. Privileges and Duties of Affiliate Members
- Section 8. Privileges and Duties of Public Service Members
- Section 9. Privileges and Duties of Honorary Members
- Section 10. Privileges and Duties of Student Members
- Section 11. Certification by "Designated" REALTOR®
- Section 12. Privileges and Duties of REALTOR® Esteem Member

Article VII - Professional Standards and Arbitration

- Section 1. Professional Standards and Arbitration
- Section 2. Member compliance with N.A.R. and C.A.R. Constitution Bylaws, Policies, Policies, Rules, Regulations and Code of Ethics

Article VIII - Use of the Terms REALTOR® and REALTORS®

- Section 1. Use and Control of REALTOR® Membership Marks
- Section 2. Jurisdictional Limits on Use of REALTOR® Membership Marks
- Section 3. Use of REALTOR® Membership Marks Dependent on Status of Firm Principals
- Section 4. Institute Affiliate Members Ineligible to Use REALTOR® Membership Marks

Article IX - Dues and Assessments

- Section 1. Application Fee
- Section 2. Dues
- Section 3. Dues Payable
- Section 4. Nonpayment of Financial Obligations
- Section 5. Reinstatement After Termination for Nonpayment of Financial Obligations
- Section 6. Deposit
- Section 7. Notice of Delinquent Dues, Fees, Fines, Assessments and Other Financial Obligations of Members

Article X - Officers and Directors

- Section 1. Officers
- Section 2. Powers and Duties of Officers
- Section 3. Board of Directors
- Section 4. Powers and Duties of the Board of Directors
- Section 5. Executive Committee
- Section 6. Election of Officers and Directors
- Section 7. Vacancies
- Section 8. Removal of Officers and Directors
- Section 9. State Directors

Article XI - Meetings & Publications

- Section 1. Annual Meetings
- Section 2. Meetings of Directors
- Section 3. Other Meetings
- Section 4. Notice of Meetings
- Section 5. Quorum

- Section 6. Publications
- Section 7. Action without a Meeting

Article XII - Committees

- Section 1. Standing Committees
- Section 2. Special Committees
- Section 3. Term of Committee Appointments
- Section 4. Organization
- Section 5. President
- Section 6. Removal

Article XIII - Fiscal and Elective Year

- Section 1. Fiscal Year
- Section 2. Elective Year
- Section 3. Annual Budget

Article XIV - Rules of Order

- Section 1. Robert's Rules of Order

Article XV - Indemnification

- Section 1. Indemnification
- Section 2. Advance of Expenses
- Section 3. Insurance

Article XVI - Amendments

- Section 1. Amendment Upon Majority Vote Of Membership
- Section 2. Notice
- Section 3. Approval of Amendments by N.A.R.

Article XVII - Dissolution

- Section 1. Dissolution

Article XVIII - Multiple Listing

- Section 1. Authority and Governing MLS Rules
- Section 2. Purpose
- Section 3. Supervision
- Section 4. Access to Comparable and Statistical Information

Bylaws of the High Desert Association of REALTORS®

ARTICLE I - Name

Section 1. Name.

The name of this organization shall be the High Desert Association of REALTORS®, Incorporated, hereinafter referred to as "HDAR" or "Association".

Section 2. REALTOR® Membership Mark in Name of Association.

Inclusion and retention of the registered collective membership mark "REALTORS®" in the name of the HDAR shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® (hereinafter "N.A.R.") as from time to time amended.

ARTICLE II - OBJECTIVES

Section 1. Objectives.

The objectives of the HDAR are:

- (a) To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests. The "recognized branches of the real estate profession" include buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, financing, building, developing or subdividing real estate.
- (b). To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the N.A.R. (hereinafter "Code of Ethics")
- (c) To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.
- (d) To further the interests of home and other real property ownership.
- (e) To unite those engaged in the real estate profession in this community with the CALIFORNIA ASSOCIATION OF REALTORS® (hereinafter "C.A.R.") and the 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 the N.A.R.

ARTICLE III - National and State Memberships

Section 1. Association Membership in N.A.R. and C.A.R.

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

Section 2. Ownership and Use of REALTOR® Membership Marks.

The HDAR recognizes the exclusive property rights of N.A.R. in the terms REALTOR® and REALTORS®. The HDAR may use the terms while it is a member in good standing of N.A.R. The HDAR shall discontinue use of the terms in any form in its name, upon ceasing to be 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 HDAR adopts the Code of Ethics and agrees to enforce the Code of Ethics among its REALTOR® members. The HDAR and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of N.A.R. and C.A.R.

Section 4. Other Association Rules, Regulation & Policies.

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

ARTICLE IV – Jurisdiction

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

NORTHERN BOUNDARY: Beginning at intersection of the San Bernardino County line and the NW corner of Sec. 6 R7W T8N; thence Easterly to the east

corner of Sec. 1 R4W T8N; thence Southerly to SE corner of Sec. 24 R4W T8N; thence easterly to SE of Sec. 20 R3W T8N; thence Southerly to the SW corner of Sec. 33 R3W T7N; thence Easterly to the SE corner of Sec. 36 R2E T7N;

EASTERN BOUNDARY: thence Southerly to the SW corner Sec. 31 R3E T5N; thence Easterly to the NE corner of Sec. 1 R5E T4N; thence Southerly to the SE corner of Sec. 36 R5E T4N; thence Westerly to the SW corner of Sec 31 R5E T4N; thence Southerly to the SE corner of Sec. 13 R4E T2N;

SOUTHERN BOUNDARY: thence Westerly to the SW corner of Sec.18 R3E T2N; thence Northerly to the SE corner of Sec. 36 R2E T4N; thence Westerly to the NW corner of Sec. 6 R3W T3N; thence Southerly to the SW corner of Sec. 7 R3W T2N; thence Westerly to the SW corner of Sec. 9 R5W T2N; thence Northerly to the NE Corner of Sec. 5 R5W T2N; thence Westerly to the NW corner of Sec. 5 R5W T2N; thence Northerly to the C/L of Interstate Hwy. 1-15; thence Northeasterly on C/L of I-15 to intersection with CIL of U.S. Hwy. 395; thence Northerly on C/L of Highway 395 to intersection of C/L of Palmdale Road; thence Westerly on C/L of Palmdale Road to intersection with Los Angeles/San Bernardino County Line;

WESTERN BOUNDARY: thence Northerly on said Los Angeles/San Bernardino County line to the point of beginning, including the Communities of Victorville, Apple Valley, Lucerne Valley, Adelanto and Hesperia, all within the County of San Bernardino, California.

Following territory added 2-19-99:

NORTHERN BOUNDARY: Beginning at the NW corner of the Los Angeles County Line and the centerline of Palmdale Road, then east along the centerline of Palmdale Road to its intersection with the centerline of U.S. Highway 395 (this highway was not named - it should be Highway 395)

EASTERN BOUNDARY: From the intersection of the center line of Palmdale Road and center line of U.S, Highway 395, then south along the center line of U.S. Highway 395 to the center line of the Interstate 15, and continuing along the center line of 1-15 to the south boundary ridge south boundary ridge of San Gabriel Mountains;

SOUTHERN BOUNDARY: thence west along the south boundary ridge of San Gabriel Mountains to the Los Angeles County line;

WESTERN BOUNDARY: thence north along the Los Angeles County line to the centerline of Palmdale Road, the point of beginning, all within the county of San Bernardino, California. (This metes and bounds description includes the communities of Phelan and Wrightwood).

Following additional territory added 7/10/2014 by virtue of a merger with the Barstow AOR:

San Bernardino County - All area north of following boundaries: Commencing at San Bernardino-Kern line at T8-9N; east to Range 3-4W: then south to etc. (San Bernardino County: Barstow, Baker, Daggett, Hodge, Hinkley, Lenwood, Lenwood Highlands, Lockhart Needles, Newberry, and Yermo) (Kern County - Boron.)

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 six (6) classes of membership: (a) REALTOR® Members; (b) Institute Affiliate Members; (c) Affiliate Members; (d) Public Service Members; (e) Honorary Members; and (f) Student 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 a real estate firm 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 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; (engaged in the real estate profession" is defined, herein and throughout these bylaws when this terminology is used, as buying, selling, exchanging, renting or leasing, managing, counseling, appraising for others for compensation, building, developing or subdividing real estate); and
 - (d) Maintain or be associated with a real estate office located within the state of California or a state contiguous thereto; and
 - (e) Have no record of official sanctions rendered by the courts or other

lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years or (ii) criminal convictions within the past ten years where the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted (ten years is measured from the date of the conviction or the release of the applicant from the confinement imposed for that conviction , whichever is the later date).

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 the Article V for any A.O.R. in California or a state contiguous thereto; and
- (e) Have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years or (ii) criminal convictions within the past ten years where the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted ten years is measured from the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date).

2.3 REALTOR® members may be franchise corporate officers under the following circumstances: 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 HDAOR.,C.A.R., and N.A.R. as described below in Article V, Section 2.8.

2.4 **Designated REALTOR®.** Each firm shall designate in writing one "Designated REALTOR®" member who shall be responsible for the conduct of individuals affiliated with the firm and accountable to the A.O.R. for all duties and obligations of A.O.R. membership, including, but not limited to, certification as set forth in Article VI, Section 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 the 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 HDAR, the HDAR pays C.A.R. and N.A.R. dues for that individual. An individual is a primary member of the HDAR, if the HDAR pays C.A.R. and M.A.R. dues based on such member. One of the principals in a real estate firm, must be a Designated REALTOR® of the HDAR in order for the licensees affiliated with the firm to select the HDAR as the "primary" Association.~~

(b) **Secondary Membership.** A REALTOR® who has joined another Association as a primary member may join the HDAR as a secondary member. There need not be a Designated REALTOR® member of the HDAR for licensees to select this A.O.R. as their secondary Association. The conditions for secondary membership shall be no more stringent than for primary membership, and the privileges of membership shall be the same including the right to vote and hold office.

2.6 **Required REALTOR® Membership of Officers and Partners**—~~All persons who are partners in a partnership or officers in a corporation, and actively engaged in the real estate profession within the state of California or a state contiguous thereto or are franchise corporate officers as described below shall be ineligible for any class of membership other than REALTOR® membership. Each is required to hold REALTOR® membership individually in a local Association in California. Each sole proprietor, partner or corporate officer of the real estate firm who is actively engaged in the real estate profession within California or within a state contiguous thereto shall be required to become a REALTOR® member if any other sole proprietor, partner or corporate officer of such firm, partnership or corporation is a REALTOR® member within those states. 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(except as provided in Section 2.7). Each sole proprietor, partner or corporate officer of the real estate firm or franchise corporate officers shall be ineligible for any class of membership other than REALTOR® membership unless they otherwise qualify for Institute Affiliate membership as described in Article V, Section 3.~~

2.7 **Commercial Firms.** 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 profession business in connection with the same office, or any other offices within the jurisdiction of the A.O.R. in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Article V, Section 3.

2.8 ~~**Franchise Corporate Officers** Notwithstanding any other provision herein, franchise corporate officers of real estate brokerage franchise organizations with at least one hundred fifty franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, may be elected to membership pursuant to the Constitution and Bylaws of N.A.R. (hereinafter "Franchise Corporate Officers"). Franchise Corporate Officers may or may not be licensed for California real estate broker or salesperson or appraisal activities. Franchise Corporate Officers shall enjoy all of the rights, privileges and obligations of REALTOR® membership, including compliance with the 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 of Institute Affiliate Members.

Institute Affiliate members shall be individuals who hold a professional designation awarded by an 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 hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

Section 4. Qualifications of Affiliate Members.

Affiliate members shall be real estate owners, and other individuals or firms

engaged in activities related to the real estate profession, who do not qualify for REALTOR® membership. Affiliate members have interests requiring information concerning real estate and sympathy with the objectives of the HDAR.

Section 5. Qualifications of Public Service Members.

Public Service members shall be those members who maintain an interest in the real estate profession as employees or affiliates of educational, public utility, governmental or other similar organizations and are not engaged in the real estate profession on their own account or in association with an established real estate business.

Section 6. Qualifications of Honorary Members REALTOR® Esteem.

This membership may be granted by the Board of Directors when an individual has been an active member in good standing of the Victor Valley Association of REALTOR®S® for 20 continuous years and has reached the age of 65. VVAR Esteem Members are required to pay only such dues as are necessary to enable the HDAR to meet its dues obligations in connection with such membership in the N.A.R. and C.A.R.

Section 7. Qualifications for Student Members.

Student members shall be students enrolled in an undergraduate or graduate degree program at an institution of higher education with a specialization or major in real estate, or who are seeking to obtain a real estate license or appraiser's license but who are not eligible for REALTOR®® membership

Section 8. Membership Application.

- (a) Each applicant for membership shall submit an application in such manner and form as may be prescribed by HDAR Board of Directors (hereinafter "Board of Directors") and give his or her consent that the Board of Directors, through the HDAR Membership Committee (hereinafter "Membership Committee") or otherwise, may obtain information about the applicant from any member or other persons and that any information furnished to the Board of Directors by any person shall not form the basis of any action for slander, libel or defamation of character. The Board of Directors, through its Membership Committee or otherwise, may consider the following in determining an applicants qualifications for membership:
- (1) All final findings of N.A.R. Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years;
 - (2) Pending ethics complaints or hearings;
 - (3) Unsatisfied discipline pending;

- (4) Pending arbitration requests or hearings;
 - (5) Unpaid arbitration awards or unpaid financial obligations to any other board or association or board 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 HDAR, the Bylaws of C.A.R. and the N.A.R. Constitution, Bylaws and Code of Ethics, to the extent they are applicable, and pass such reasonable and nondiscriminatory written examination thereon as may be required by the Membership Committee or otherwise. Applicants must also complete an orientation program as may be required by the Board of Directors, its Membership Committee, or otherwise, ~~said program to be attended in-person or, upon request, through remote means. An Applicant will be eligible only for the status of provisional membership (should the Board of Directors allow such status) until any mandatory orientation is timely satisfied and/or until Board of Directors' approval of the application.~~
- (c) Applicants for REALTOR® membership shall certify: (1) that they have no record of official sanctions rendered by the courts or other lawful authorities for violations of civil rights laws or real estate license laws within the past three years (2) that they have no criminal convictions within the past ten years where the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted and (ten years measured from the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date); And (3) that they have not been suspended or expelled from an Association the past three years for violations of the N.A.R. Code of Ethics.
- (d) Applicants who are sole proprietors, who are general partners, corporate officers or branch office managers (Section 2 of this Article V) of a real estate firm must disclose: (1) whether they or their firms are subject to any pending bankruptcy proceedings; and (2) whether they or their firms have been adjudged bankrupt within the past three (3) years. If the applicant is party to pending bankruptcy or insolvency proceedings or has been adjudged bankrupt within the past three (3) years, the applicant may be required to pay cash in advance for HDAR and MLS fees for up to one year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy, whichever is later. If the Board of Directors determines that such prepayments will not protect the interests of the VVAR or its members, such applications may be rejected.

Section 9. Prior Membership Records.

The HDAR may consider information received from other Associations in

determining whether an applicant satisfies the HDAR's membership requirements. The HDAR may request from any Association where the applicant held prior membership, minimum "core" information including:

- (a) All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years;
- (b) Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties;
- (c) Incomplete or (pending) disciplinary measures;
- (d) Pending arbitration requests (or hearings); and
- (e) Unpaid arbitration awards or unpaid financial obligations to the Association or its MLS;
- (f) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

This HDAR will also consider all final findings of Code of Ethics violations and violations of other membership duties in the HDAR within the past three (3) years.

NOTE: Article IV, Section 2, of the NAR 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, whether learned through C.A.R. Ethics Check or otherwise.

Section 10. Application Review and Acceptance

The procedure for acceptance to REALTOR® membership shall be as follows:

- (a) The Membership Committee shall determine whether the applicant is applying for the appropriate class of membership. If the A.O.R. does not have a standing Membership Committee, the AOR's Executive Officer/staff may act in this capacity. The Membership Committee or HDAR staff may request "core" information as defined in Article V, Section 9, from any Association of which the applicant was previously a member. The Membership Committee or HDAR staff shall thereafter provide a written list for approval or recommend rejection of the applicant. If they recommend rejection, the Membership Committee or A.O.R. staff shall make a written report of its findings to the Board of Directors. . The Membership Committee or A.O.R. staff shall consider the information permitted under Sections 8 and 9 of this Article in its

review of an applicant and 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 or HDAR staff submits a dissenting recommendation, it shall also be reported to the applicant and Board of Directors. The applicant shall also be notified of his/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 or HDAR staff and then vote on the applicant's eligibility for membership. If the applicant appears, he or she may be represented by counsel, call witnesses on his or her behalf and make such statements, as he or she deems relevant. The Board of Directors may also have counsel present. If the applicant receives a majority vote of the Board of Directors, he or she shall be declared accepted as a member and shall be advised by written notice. An application for Institute Affiliate Membership shall be acted upon by the Board of directors within forty-five (45) days from the date of application for membership.
- (d) If the Board of Directors determines that the application should be rejected, it shall record its reasons. If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry, in a suit by the HDAR 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 the applicant for membership has not yet satisfied any mandatory orientation and/or has unsatisfied discipline pending in another association (except for violations of the Code of Ethics), provided all other qualifications for membership have been satisfied. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. The Board of Directors may reconsider the membership status of provisional members when all mandatory orientation is completed and/or when all unsatisfied discipline has been resolved or if such matters of unresolved discipline are not fully 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 done his or her part to satisfactorily

resolved the unsatisfied discipline, at the discretion of the Board of Directors, membership may be terminated.

Section 11. New Member Code of Ethics Orientation:

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics, meeting the minimum criteria established by N.A.R. for new member ethics training. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another Association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less.

Failure to satisfy this requirement within forty five (45) 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.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

Section 12. Continuing Member Code of Ethics Training:

Every two year period starting with the period from January 1, 2017 through December 31, 2018 and for successive two year periods each REALTOR® member of the HDAR shall be required to complete a course of the Code of Ethics, meeting the minimum criteria established by N.A.R. for biennial training. The requirement will be satisfied upon presentation of documentation that the member has completed such course of instruction conducted by this or another Association, C.A.R., N.A.R. or any other recognized educational institution. REALTOR® members who have completed training as a requirement of membership in another Association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any two year cycle shall not be required to complete additional ethics until a new two year period commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty and will result in suspension of membership for the first two months (January and February) of the year following the end of any two year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date for failure to complete the training requirement will be automatically terminated. Adopted 1/01, revised 1/17.

Section 13. Status Changes.

- (a) REALTORS® who change the conditions under which they hold membership shall be required to provide written notification to the HDAR within thirty (30) days. A non-principal REALTOR® who becomes a principal in the firm with which he/she has been licensed or, become principal in a new firm which will be comprised of REALTOR® principals, may be required to satisfy any previously unsatisfied membership requirements applicable to principal REALTOR® members. During the period of transition from one status of membership to another, such members shall be subject to all of the privileges and obligations of a principal REALTOR® member. The Board of Directors, at its discretion, may waive any qualification which the member has already fulfilled in accordance with the Bylaws. If the REALTOR® does not satisfy the requirements established in the Bylaws for the category of membership to which they have transferred within thirty (30) of the date they advised the HDAR 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 HDAR shall be subject to immediate termination 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 HDAR 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 month in which the member is notified of acceptance by the Board of Directors of his or her change in status and shall be based on the new membership status for the remainder of the year.

Section 14. Resignation.

Resignations of members shall become effective when received in writing by the Board of Directors, provided, however, that if any member submitting the resignation is indebted to the HDAR for dues, fees, fines or other assessments of the HDAR or any of its services, departments, divisions or subsidiaries, the HDAR may condition the right of the resigning member to reapply for membership upon payment in full of all 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 HDAR to abide by the Bylaws, Policies and Rules and Regulations of the HDAR. Any member of the HDAR 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 HDAR. If a hearing is required it shall be held in accordance with *California Code of Ethics and Arbitration Manual*.

Although only REALTOR® members are subject to the Code of Ethics and its enforcement by the HDAR, 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® or for conduct that is inconsistent with or adverse to the objectives and purposes of the HDAR, C.A.R. or N.A.R.

Section 2. Member Discipline.

- (a) Any member of the HDAR may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or **Association** officer or director after an investigation in accordance with the procedures of the HDAR. Any member of the A.O.R. also may be reprimanded, placed on probation, suspended or expelled for harassment of another member of the A.O.R. during a meeting, event or other A.O.R-sanctioned activity after an investigation in accordance with the procedures of the A.O.R As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, President-Elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with counsel for the HDAR. Disciplinary action may include any sanction authorized in the *California Code of Ethics and Arbitration Manual*. If the complaint names the President, President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.
- (b) Any REALTOR® member of the HDAR 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 *California Code of Ethics and Arbitration Manual*, provided that the discipline imposed is consistent with N.A.R. policy as set forth in *California Code of Ethics and Arbitration Manual*.

Section 3. Resignation with Pending Arbitration or Disciplinary Hearing.

If a member resigns from the HDAR or otherwise causes membership to terminate with a disciplinary complaint pending, the complaint shall be processed until the decision of A.O.R. with respect to disposition of the complaint is final by this A.O.R. (If respondent does not hold membership in any other Association) or by any other Association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Associations to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR® the complaint, once filed, shall be processed until the decision of the Association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an Association of REALTORS®.

If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect 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 HDAR are paid in full shall be entitled to vote. Only REALTOR® members shall be eligible to hold elective office in the HDAR. Proxy voting is not allowed.

Section 5. Privileges and Duties of REALTOR® Members.

- (a) It shall be the duty and responsibility of every REALTOR® of the HDAR 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 1 of these Bylaws.
- (b) REALTOR® members have the primary responsibility to safeguard and promote the standards, interests and welfare of the HDAR and the real estate profession.
- (c) REALTOR® members may use the terms REALTOR® and REALTORS® subject to the provisions of Article VIII.
- (d) If a REALTOR® member who is a sole proprietor, principal in a firm, partner in a partnership, officer of a corporation, or branch office manager

is suspended or expelled, his or her firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension or expulsion and the membership of all other principals, partners or corporate officers shall suspend or terminate during the period of suspension or expulsion unless: (1) the disciplined member severs his or her connection with the firm, partnership or corporation; or (2) the disciplined member relinquishes management control of the firm.

The membership of REALTORS® who are employed or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension or expulsion unless: (1) the disciplined member severs his or her connection with the firm, partnership or corporation; (2) the disciplined member relinquishes management control of the firm; or (3) the non-principal REALTOR® member elects to sever his or her connection with the disciplined member and affiliates with another REALTOR® member in good standing in the HDAR. If a REALTOR® member, other than a sole proprietor in a firm, partner in a partnership, officer of a corporation, or branch office manager is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, corporation shall not be affected.

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

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

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

Section 6. Privileges and Duties of Institute Affiliate Members

Institute Affiliate members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors consistent with the N.A.R. Constitution and Bylaws.

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be

granted the right to use the term REALTOR®, ~~REALTOR-ASSOCIATE®~~, or the REALTOR® logo; to serve as President of the local association; or to be a Participant in the local association's Multiple Listing Service.

Section 7. Privileges and Duties of Affiliate Members

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

Section 8. Privileges and Duties of Public Service Members

Public Service members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors.

Section 9. Privileges and Duties of Honorary Members

Honorary membership shall confer only the right to attend meetings and participate in discussions.

Section 10. Privileges and Duties of Student Members. Student members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Director.

Section 11. Certification by "Designated" REALTOR®

"Designated" REALTORS® shall certify to the HDAR during the first month of the fiscal year on a form provided by the HDAR, 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 and assessments under Article IX, Section 2 of the bylaws. "Designated" REALTOR® members shall also notify the HDAR of any additional individual(s) licensed or certified with the firm(s) and of any individual whose affiliation with the firm was severed within twenty (20) days of the date of affiliation or severance of the individuals(s).

Section 11 Privileges and Duties of REALTOR® Esteem Member

REALTOR® Esteem members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. Professional Standards and Arbitration

The responsibility of the HDAR 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 a part of these Bylaws.

Section 2. Member compliance with N.A.R. and C.A.R. Constitution Bylaws, Policies, Rules, Regulations and Code of Ethics

It shall be the duty and responsibility of every REALTOR® member of the HDAR to abide by the Constitution and Bylaws and the Rules and Regulations of the HDAR, the Constitution and Bylaws of C.A.R., the Constitution and Bylaws of N.A.R., and to 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 *California Code of Ethics and Arbitration Manual* as from time to time amended by C.A.R. By becoming and remaining a member every REALTOR® member agrees that he or she and the corporation or firm for which he or she acts as a partner, officer, principal, or branch office manager, will submit to arbitration through the HDAR all disputes with any other member or member of the public subject to the conditions set forth in *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 HDAR shall have the authority to control, jointly and in full cooperation with N.A.R., use of terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the C.A.R. Code of Ethics and Arbitration Manual.

Section 2. Jurisdictional Limits on Use of REALTOR® Membership Marks

REALTOR® members of the HDAR shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within California, or a state contiguous thereto, so long as they remain REALTOR® members in good standing. No other class of members shall have this privilege.

Section 3. Use of REALTOR® Membership Marks Dependent on Status of Firm Principals

A REALTOR® member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within California, or a state contiguous thereto, are REALTOR® members.

- (a) In the case of a REALTOR® member who is a principal of a real estate

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

Section 4. Institute Affiliate Members Ineligible to Use REALTOR® Membership Marks

Institute Affiliate members shall not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of N.A.R.

ARTICLE IX - DUES AND ASSESSMENTS

Section 1. Application Fee

The Board of Directors may adopt a reasonable application fee for membership in the HDAR. The application fee for REALTOR® membership shall not exceed three (3) times the amount of the annual dues for REALTOR® Membership. The application fee shall be required to accompany each application for membership in the HDAR and shall become the property of the HDAR upon final approval of the application

Section 2. Dues.

- (a) The Board of Directors shall determine the amount of dues to be paid by each class of membership.
- (b) The dues and assessments 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 HDAR. In calculating the dues and assessments payable to the HDAR 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 and assessments if the Designated REALTOR® has paid dues and assessments based on non-member licensees to another Association within the state of California or a state contiguous thereto, provided the Designated

REALTOR® notifies the HDAR in writing of the identity of the Association to which dues have been remitted.

(c) In accordance with Article VI, Section 11, The Designated REALTOR® has an affirmative and ongoing duty to keep its dues and assessment formulations current and accurate and shall immediately notify the A.O.R. within 30 days of any changes, additions or deletions of any real estate licensees and licensed or certified appraisers employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed or certified with such Designated REALTOR®.

(d) 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 ("LFRO") shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in the real estate profession as defined in Article V, Section 2 © (buying, selling, exchanging, renting or leasing, managing, counseling, appraising for others for compensation, building developing or subdividing real estate) listing, selling, leasing, renting, managing, counseling, appraising or arranging financing for real property and are not a participant or subscriber in a Multiple Listing Service ("MLS"). 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 and assessments of the Designated REALTOR®. It shall be considered a violation of a membership duty for a REALTOR® to falsely certify LFRO status. Moreover, the exemption for any licensee included on the certification form for a LFRO shall automatically be revoked upon the individual being engaged in the real estate profession as defined in Article V, Section 2 (c) other than for referrals, or for being a participant or subscriber of any MLS, and dues and assessments for the entire current fiscal year shall be immediately due and payable in full. Licensee may not reapply for a LFRO exemption until the following fiscal year.

(e) A REALTOR® with a direct or indirect ownership interest in an entity engaged in the real estate business which also provides services for which a Mortgage Loan Originators license endorsement (MLO) is required may annually file with the association, on a form approved by the association, a list of the MLO licensees affiliated and certify that all of the licensees listed (1) have a MLO license or endorsement, (2) are not engaged in the real estate profession as defined in Article V, Section 2 (c) (buying, selling, exchanging, renting or leasing, managing, counseling,

appraising for others for compensation, building, developing or subdividing real estate) real estate licensed activities except for licensed activities those for which an MLO is required, and (3) are not participants or subscribers in any Multiple Listing Service. The individuals disclosed on such forms shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Article IX, Section 2(b) and shall not be included in calculating the annual dues and assessments of the Designated REALTOR®. It shall be considered a violation of a membership duty for a REALTOR® to falsely certify MLO status. Moreover, the exemption for any licensee, included on the certification form for an MLO exemption, shall automatically be revoked upon the individual being engaged in the real estate profession as defined in Article V, Section 2 (c) other than in those activities for which an MLO license or endorsement is required or upon their joining an MLS, and dues and assessments for the entire current fiscal year shall be immediately due and payable in full. Licensee may not reapply for a MLO exemption until the following fiscal year.

~~The exemption for any licensee included on the certification form for a LFRO 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, or being a participant or subscriber of any MLS, and dues for the current fiscal year shall be due and payable.~~

~~The exemption for any licensee, included on the certification form for an MLO exemption, shall automatically be revoked upon the individual being engaged in real estate licensed activities other than those activities for which and MLO license or endorsement is required or upon joining an MLS, and dues for the current fiscal year shall be due and payable.~~

(f) Membership dues and assessments 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 and assessments shall not be prorated if the licensee held REALTOR® or ~~REALTOR-ASSOCIATE®~~ membership during the preceding calendar year.

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

(h) The annual dues and assessments of REALTOR® members shall not include any allocation for N.A.R., if the member is a member of an

Association of N.A.R. and that association has paid N.A.R. dues and assessments for the member.

(i) 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.

(j) The annual dues and assessments of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 1/02)

Section 3. Dues Payable

Dues and assessments for all members shall be payable annually in advance on the first day of January. Dues and assessments shall be computed from the first day of the month 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, assessments or fees paid to HDAR are non-refundable, except for those dues and assessments returned to a terminated provisional member as provided in Article V, Section 10.

After the initial annual billing. In the event additional real estate licensees or licensed or certified appraisers become affiliated with the Designated

REALTOR®, the dues and assessments of the Designated REALTOR® shall be adjusted ~~increased~~ for each real estate licensee or licensed or certified appraiser employed by or affiliated as independent contractors or otherwise directly or indirectly licensed or certified with such designated REALTOR® and added to their firm, as shown on the DRE or BREA database. ~~Said dues~~ Any additional amount owing shall become immediately due and payable upon the date of affiliation even if no invoice is generated (i.e. the date of affiliation is the “due date”).

Section 4. Nonpayment of Financial Obligations.

- (a) If dues, fees, fines, or other assessments including amounts owed to the HDAR ~~or its Multiple Listing Service~~ are not paid within one (1) month after the due date, the nonpaying member is subject to suspension. ~~Three (3)~~ Two (2) 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 ~~or otherwise terminate~~ 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~~ or otherwise terminated until twenty (20) days after notice of a proposed suspension ~~or expulsion~~ or otherwise terminated has been ~~mailed~~ sent by regular first class mail or electronic transmission to him or her, which notice may be given before or after the expiration of the one-month limit or two-month limit.
- (b) If within ten (10) days after the ~~mailing~~ sending of a notice the member requests a hearing, the effective date of the suspension ~~or~~ expulsion or termination shall be deferred until after such hearing. The Board of Directors shall ~~mail~~ send by regular first class mail or by electronic submission to the member at least five (5) days prior to the hearing a notice of the time and place of the hearing. At the hearing the Board of Directors shall receive evidence from the member and may receive evidence from any other person on the issue of whether the member was delinquent in the payment of dues, fees, fines or other assessments ~~or charges~~ and on the issue of whether it would be in the best interest of the HDAR to suspend ~~or~~ expel or otherwise terminate the member immediately.
- (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 HDAR, to suspend ~~or~~ expel or otherwise terminate the member immediately, ~~to decline to suspend or expel the member~~, or to decline to suspend ~~or~~ expel or terminate the member on condition that the member pay the delinquency on or before a specified date or pay the delinquency on or before a specified. The member shall be automatically suspended or expelled without further hearing if the member fails to perform such condition.

- (d) Any suspension ~~or~~ expulsion or termination occurring after a hearing shall be effective five (5) days after notice thereof is mailed or electronically sent or submitted to the member, subject to the right of the Board of Directors to specify that the suspension ~~or~~ expulsion or termination shall become effective upon the entry in a suit by the HDAR for declaratory relief, of the final judgment of a court of competent jurisdiction declaring that the suspension, ~~or~~ expulsion or termination violates no rights of the member.
- ~~(e) A member who has been expelled or terminated may apply for reinstatement in the manner prescribed for new applicants for membership, upon making full payment of all past due accounts, together with interest at the rate of ten (10%) percent per annum on each item comprising the accounts, from its due date until paid, and after complying with all sanctions imposed by a disciplinary panel together with the payment of the application fee required of new applicants.~~
- (e) In the event the membership of a real estate licensee or certified or licensed appraiser who holds REALTOR® membership is terminated for nonpayment of HDAR dues, fees, fines or other assessments and the licensee or appraiser remains affiliated with the same firm, the dues and assessment obligation of the Designated REALTOR®, as set forth in this Article IX, Section 2(b), will be increased to reflect the addition of a non-member licensee or appraiser. Such Designated REALTOR® dues and assessments shall be calculated from the first day of the current fiscal year and are payable within thirty (30) 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 HDAR or any of its services departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, only after making payment in full of all accounts due as of the date of termination, upon making full payment of all past due accounts, together with interest at the rate of ten (10%) percent per annum on each item comprising the accounts, from its due date until paid, and after complying with all sanctions imposed by a disciplinary panel together with the payment of the application fee required of new applicants.

Section 6. Deposit

All monies received by the HDAR for any purpose shall be deposited to the credit of the HDAR in a financial institution or institutions selected by resolution of the

Board of Directors.

Section 7. Notice of Delinquent Dues, Fees, Fines, Assessments and Other Financial Obligations of Members

All delinquent dues, fees, fines, assessments or other financial obligations to the HDAR or its Multiple Listing Service shall be noticed to the delinquent member in writing, including by electronic means setting forth the amount owed and due date.

ARTICLE X – OFFICERS AND DIRECTORS

Section 1. Officers

The elected officers of the HDAR shall be: a President, a President Elect, a Secretary, and a Treasurer (Chief Financial Officer). The President-Elect shall automatically ascend to the presidency at the end of his or her term as President-Elect. The term for Treasurer shall be for two (2) years from November through November. The term for the President, President Elect, and Secretary shall be for one (1) year from November through November. No person shall hold more than one office at the same time. The Executive Officer is the chief staff person of the HDAR but is not an officer or member of the Board of Directors.

Section 2. Powers and Duties of Officers

The powers and duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors.

(a) Specific Duties of Officers.

- (1) **President.** The President shall preside at all Board of Directors meetings and HDAR membership meetings, appoint and deactivate Committees as authorized by these Bylaws, attend C.A.R. Director Meetings, and any other functions as directed by the HDAR's Board of Directors. The President may appoint one (1) affiliate member, who is in good standing, to serve on the Board of Directors. An Affiliate Director shall not have voting rights on the Professional Standards or MLS subjects that appear before the Board of Directors for action. The President and the Executive Officer shall serve as ex-officio, non-voting members on the Strategic Planning and Finance Committees.
- (2) **President-Elect.** The President-Elect shall perform the duties of the President if the President is absent or disabled. The President Elect shall serve on both the Strategic Planning and Finance Committees.
- (3) **Secretary.** The Secretary shall ensure that appropriate records are maintained. It shall be the duty of the Secretary to keep the records of the

Board of Directors and to carry on all necessary correspondence with N.A.R. and C.A.R.

- (4) **Treasurer.** The Treasurer shall serve as the Chair of the Finance Committee, render statements of HDAR accounts to the Board of Directors and when appropriate, at the HDAR's general membership meetings, advise the HDAR Executive Officer and Board of Directors in the investment of HDAR assets, and to ensure the proper check signing authority is established in accordance with guidance provided by the Board of Directors.
- (5) **Immediate Past President.** The Immediate Past President will serve as the Chair of the Strategic Planning Committee.

Section 3. Board of Directors.

The governing body of the HDAR shall be a Board of Directors consisting of the elected officers, the Immediate Past President who is the most recent Past-President of the HDAR that is eligible and willing to serve, and eight (8) REALTOR® members of the HDAR, and may include one (1) affiliate member of the HDAR. All directors including the elected officers have one vote. Directors shall be elected to serve for terms of two (2) years. Four (4) Directors will be elected each year. There is no restriction as to the number of REALTORS® from the same firm that may serve on the Board of Directors during the same year.

Section 4. Powers and Duties of the Board of Directors.

Subject to the provisions of the California Corporation Law and any limitations in the Articles of Incorporation or Bylaws relating to action required to be approved by the members or a majority of all the members, the activities and affairs of the HDAR shall be conducted by, and all management powers shall be exercised under the direction of the Board of Directors. The Board of Directors may delegate the management of the activities of the HDAR to any committee so long as the ultimate direction is provided by the Board of Directors.

The Board of Directors have the responsibility for employment of a HDAR Executive Officer who has no voting power or authority for the HDAR unless so authorized by the Board of Directors. The Board of Directors have the authority to enter an employment agreement with the Executive Officer or another employee so deemed necessary. The Board of Directors will provide a job description of duties for the Executive Officer and any other contracted employee.

Section 5. Executive Committee

- (a) **Composition.** The Board of Directors may authorize the formation of an Executive Committee consisting of the President, President-Elect,

Secretary, Treasurer, and the most recent Past-President of the VVAR who is eligible and willing to serve. The Executive Officer shall be ex-officio and the secretary to the Executive Committee.

- (b) **Term of Office.** The term of office of each member except for the treasurer, which is a two (2) year term, will be one (1) year or until his successor is confirmed. A member may succeed himself in office.
- (c) **Vacancies.** Members of the Executive Committee may be removed with cause by the President subject to approval by the Board of Directors. Vacancies may be filled by the President subject to approval by the Board of Directors.
- (d) **Quorum.** A majority of members shall constitute a quorum for the transaction of business.
- (e) **Meetings.** The President shall call meetings for the Executive Committee as required.
- (f) **Authority.** The Executive Committee shall have such duties and authority as may be established by the Bylaws and by action of the Board of Directors. Specific duties are:
 - 1. Function as an advisory committee to the President of the HDAR overall and assure that the policies of the HDAR as established by the Board of Directors are properly being implemented.
 - 2. Review reports of committees that require action prior to submission to the Board of Directors.
 - 3. Review administrative operational procedures of the management of the HDAR.

Section 6. Election of Officers and Directors.

- (a) **Delivery of Notices, Reports and Ballots.** All notices, reports and ballots in connection with the election or removal of officers and directors may be accomplished by personal delivery, first class mail, facsimile, electronic mail or other electronic means.
- (b) **Specific Qualifications**
 - (1) **President Elect.** Candidates must be active HDAR REALTOR® members for past three (3) years and shall have served as a local Director for two (2) years, or, a director for one (1) year and Secretary or Treasurer for one (1) year.

- (2) **Secretary and Treasurer.** Both positions require candidates to be active HDAR REALTOR® members for two (2) years and have served as a director, or a committee chairman, or a member of a standing committee for one (1) full year.
- (3) **Directors.** All candidates for Director must be active HDAR REALTOR® members and served as a chairman of a standing committee or served as a member of a standing committee for at least one (1) of the past two years.
- (4) **Term Limits.** No elected Officer/Director shall serve more than two (2) consecutive terms. After one (1) year has elapsed since serving in an office, such individuals are again eligible for election.
- (5) **Qualification Waiver.** All qualifications for the officers and directors may be waived subject to proof of equivalent service in another Association/Board of REALTORS®, and recommendation by the nomination committee and approval by the Board of Directors.

(c) Elections of Officers and Directors

- (1) The annual election of Officers and Directors shall be held in the month of July with the specific date, time, and location determined by the Board of Directors and announced to the general membership in May.
- (2) **Nomination by the Nominating Committee.** Within the first quarter of the year, a Nominating Committee of a minimum of three (3) REALTOR® members shall be appointed by the President with the approval of the Board of Directors. The President shall announce the Nominating Committee at the April general membership meeting. The Nominating Committee shall prepare a dual slate of candidates, if possible, for each vacant officer and director position. This slate of candidates must be completed prior to the May meeting. No member of the Nominating Committee may be a candidate for officer or the Board of Directors. No person may be nominated for office unless they meet all of the qualifications for the office at the beginning of the term for which they are a nominee.
- (3) **Posting of Nominated Candidates.** The Nominating Committees' slate of candidates will be announced at the May general membership meeting and will be posted to the Membership through the official HDAR newsletter.
- (4) **Nomination by Petition.** Following the Nominating Committees' announcement of the slate of candidates for Officers and Directors; additional candidates for the offices to be filled may be placed in

nomination by petition. Such candidates must obtain a petition from the HDAR office, obtain signatures of one-hundred (100) members of the HDAR REALTOR® membership eligible to vote. The petition shall be filed with the Secretary at least three (3) weeks prior to the election date. If qualified, the name will be placed on the ballot in alphabetical order. The Secretary shall send notice of such additional nominations to all members eligible to vote at least two (2) weeks before the election.

- (5) **Election Committee.** The President, in the month of June and with the approval of the Board of Directors, shall appoint an Election Committee of three (3) REALTOR® members to conduct the election. No member of the Election Committee may be a candidate for office or the Board of Directors. The Election Committee shall set a date on or before the annual meeting, on which the election will be held.
- (6) **Elections.** Elections shall be by ballot, including absentee ballot. Instructions for absentee ballot will be posted in the official HDAR newsletter. Ballots may be submitted by mail or in person. There shall be no proxy votes. The ballot shall contain the names of all candidates and specify the office for which each is nominated. No person may be a candidate for more than one position whether nominated by the Nominating Committee or by petition. Ballots may be submitted by the members in the manner and by the date specified by the Election Committee. There shall be no proxy votes. In the case of a tie, the issue shall be determined by lot.
- (7) **Installation.** The installation of Officers and Directors shall be made during the month of November, The term of office shall begin the day following the official closing of the N.A.R. annual convention and end the last day of the N.A.R. convention the following year, regardless of the installation date.

Section 7. Vacancies.

1. Vacancies created during the year among the Officers and the Board of Directors shall be filled by appointment by the President with the confirmation of the Board of Directors for the unexpired term of the former incumbent of the office vacated.
2. Vacancies-Officers-Elect. The Board of Directors is empowered to establish a special Director to fill any office for which the officer-director-elect declines to or is unable to take office.

Section 8. Removal of Officers and Directors

In the event that an Officer or Director is deemed to be incapable for any reason of fulfilling the duties for which he or she is elected, but will not resign from office

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

- (a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- (b) Upon receipt of the petition, and not less than twenty (~~20~~5) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the HDAR shall be held. The sole business of the meeting shall be to consider the charge against the officer or director, and to render a decision on such petition.
- (c) The special meeting shall be noticed including the general nature of the meeting to all voting Members by regular first class mail at least ten (10) days prior to the meeting, and shall be conducted by the President of the HDAR unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting. Provided a quorum is present, a three-fourths (75%) vote of members present and voting shall be required for removal from office.

Section 9. State Directors

- (a) **Appointment of State Director.** The President and President-Elect are deemed to be recommended to fill the first two positions as allocated by the C.A.R. to the State Board of Directors. The incumbent President may appoint additional State Directors as allocated by the C.A.R. on an annual basis. Such appointments are subject to review and confirmation by the Board of Directors of the local Association.
- (b) **Duties.** State Directors shall attend all State Directors meetings and appropriate Regional meetings. They are required to make generalized reports to the Board of Directors and the general HDAR membership meeting. State Directors shall attend local Board of Director meetings.
- (c) **Vacancies.** Vacancies of State Directors, if deemed appropriate to fill, by the Board of Directors, will be made by the President and confirmed by the Board of Directors.

ARTICLE XI - MEETINGS & PUBLICATIONS

Section 1. Annual Meetings.

The annual meeting of the HDAR shall be held during July of each year, the date, place, and hour to be designated by the Board of Directors.

Section 2. Meetings of Directors

- (a) The Board of Directors shall designate a regular time and place of meetings. Absence from three (3) consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation.
- (b) Special Board of Directors meeting may be called by the President or upon request by any two (2) Directors. Directors must be provided 48 hours notice and the reason for such meeting.

Section 3. Other Meetings

Meetings of the members may be held at times as the President or the Board of Directors may determine, or upon the written request of at least fifty (50%) percent of the members eligible to vote.

Section 4. Notice of Meetings

Written notice of membership meetings shall be delivered personally, by first class mail, facsimile, electronic mail or other electronic means to the address shown on the current HDAR records of every member entitled to participate in the meeting at least twenty (20) calendar days but not more than 90 calendar days preceding all meetings. The VVAR may also publish notice of membership meetings in any publication regularly sent to all members of the HDAR. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum

- (a) Quorum for Board of Directors meetings shall be seven (7) Directors.
- (b) A quorum for the transaction of business at general membership meetings shall consist of 10% or more of the REALTOR® Members eligible to vote.
- (c) Quorum for committee meetings shall be a majority of the duly constituted committee.

Section 6. Publications

- (a) **Newsletter/Magazine.** The HDAR shall publish an official newsletter/magazine on a monthly basis. Such publication may combine with other products (MLS publications), however, distribution must be made to all VVAR members by the most appropriate and effective means.
- (b) **Official Notifications.** The newsletter/magazine is deemed to constitute a

means to officially notify the HDAR members on pending elections or meetings requiring action by members. Time requirements must be adhered to when using publications for official notification.

Section 7. Action without a Meeting. Any action that may be taken at any regular membership meeting or special membership meeting may be taken without a meeting if the association distributes a written or electronic ballot to every member entitled to vote on the matter. Approval by written or electronic ballots shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the Quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve such action at a meeting had the vote been taken in a face-to-face meeting.

Article XII - Committees

Section 1. Standing Committees

The President shall appoint from among the REALTOR® members, a chairman for each of the following standing committees. The President may appoint an Affiliate member as chairman of the Communications/PR Committees. Such appointments are subject to confirmation by the Board of Directors. Any HDAR member in good standing, subject to specific qualifications and requirements, may be appointed and serve on the standing committees.

Bylaws
Communications/PR
Education
Equal Opportunity
Finance
Governmental Relations
Grievance
Strategic Planning
Membership
Multiple Listing Service
Past Presidents
Professional Standards
Young Professionals Network

Section 2. Special Committees

The President shall appoint, subject to confirmation by the Board of Directors, such special committees as deemed necessary.

Section 3. Term of Committee Appointments

Committee members shall be appointed to one-year terms except the members of the Grievance, Strategic Planning, and Professional Standards Committees shall be appointed to staggered three-year terms.

Section 4. Organization

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

Section 5. President

The President shall be an ex-officio non-voting member of all standing committees and shall be notified of their meetings.

Section 6. Removal

The President shall have the power, subject to confirmation by the Board of Directors, to remove any member from a committee.

ARTICLE XIII - FISCAL AND ELECTIVE YEAR

Section 1. Fiscal and Elective Year

The fiscal year of the HDAR shall be the Calendar year beginning January 1 and ending December 31.

Section 2. Elective Year

The elective year shall begin the day following the official closing of the N.A.R. annual convention and end the last day of the N.A.R. convention the following year.

Section 3. Annual Budget

The Annual Strategic Plan and the Annual Budget to be presented to the Board of Directors each year at the October Board of Directors Meeting.

ARTICLE XIV - RULES OF ORDER

Section 1. Robert's Rules of Order

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

ARTICLE XV - INDEMNIFICATION

Section 1. Indemnification

The corporation may, to the maximum extent be permitted by the California Nonprofit Mutual Benefit Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Article 8, an "agent" of the corporation means any person who is or was a director, officer employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise.

Section 2. Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified.

Section 3. Insurance

Except as provided by law, the corporation shall have the power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability.

ARTICLE XVI - AMENDMENTS

Section 1. Amendment Upon Majority Vote Of Membership

The Bylaws may be amended by:

(a) 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, or

(b) a written ballot. If amendment is sought by written ballot, the ballot must be delivered personally, by facsimile, regular mail, electronic mail or other electronic means to all members qualified to vote, plainly state the substance of the proposed amendment or amendments, provide an opportunity to specify approval or disapproval, and give at least ten (10) days in which to return the ballot delivered personally, by facsimile, regular mail, electronic mail or other electronic means to the HDAR. Amendment by written ballot will only be effective if the number of votes cast within the time specified equals or exceed the number of votes that would have been required at a member meeting. In addition the Board of Directors may, at any regular or special meeting of the Board of

Directors at which a quorum is present approve amendments to the Bylaws which are mandated by N.A.R. policy.

Section 2. Notice

Notice of all meetings at which amendments are to be considered shall be delivered personally, by facsimile, electronic mail, regular mail or other electronic means to every member eligible to vote at least twenty (20) calendar days prior to the meeting and shall plainly state the substance of the proposed amendment or amendments.

Section 3. Approval of Amendments by N.A.R.

Amendments to the Bylaws affecting the admission or qualification of REALTORS®, Institute Affiliate members, the use of the terms REALTOR®, REALTORS®, or any alteration in the territorial jurisdiction of the HDAR shall become effective upon their approval as authorized by the Board of Directors of the N.A.R.

ARTICLE XVII - DISSOLUTION

Section 1. Dissolution

Upon the dissolution of this HDAR, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to C.A.R. or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVIII - MULTIPLE LISTING

Section 1. Authority and Governing MLS Rules

The HDAR may maintain for the use of licensed or certified real estate brokers and salespersons, and licensed or certified appraisers, a Multiple Listing Service ("MLS") which shall be subject to the Bylaws of the HDAR 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 means by which authorized MLS broker participants establish legal relationships with other participants by making a blanket unilateral contractual offer of compensation and cooperation to other broker participants; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals and other valuations of real

property; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the participants so that they may better serve their clients and the public.

Section 3. MLS Committee

The HDAR President shall appoint, subject to the confirmation of the Board of Directors, a MLS Committee of HDAR REALTOR® members. All members of the committee shall be MLS participants or subscribers. The President shall select the MLS Committee chair and vice chair from 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 publications, HDAR members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive use of HDAR members and individuals affiliated with the HDAR members who are also engaged in the real estate business. Except as otherwise specified in the MLS Rules and Regulations, this information may not be transmitted, re-transmitted or provided in any manner to any unauthorized individual, office or firm. HDAR 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.